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U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

For Annual and Transition Reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 (Mark One)

· ·☒·· **Annual Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the fiscal year ended
December 31, 2008

· ☐ **Transition Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Commission File Number 1-11248

SUNRISE ENERGY RESOURCES, INC.

(Name of Registrant as specified in its charter)

Delaware	**84-0938688**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
570 7th Avenue New York, New York	10018
(Address of principal executive office)	(Zip Code)

Registrant's telephone number, including area code: (917) 4634210

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act: Common Stock

Check weather the issuer is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act ☐

Note – Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Exchange Act from their obligations under those Sections.

SEC 2337 (12-05) **Persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

Check whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark weather the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

State issuer's revenues for its most recent fiscal year: $2,372,529

The aggregate market value of the voting and non-voting common equity held by non-affiliates as of March 30, 2009 within past 60 days: $174,660.

As of March 27, 2009, the Registrant had 23,542,337 shares of common stock issued and outstanding, or committed for issuance.

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

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PART I.

ITEM 1. DESCRIPTION OF BUSINESS

This Annual Report contains forward looking statements (as such term is defined in the Private Securities Litigation Reform Act of 1995). All statements, other than statements of historical fact, contained in this report are forward looking statements, including, without limitation, statements regarding the future financial position, business strategy, proposed acquisitions, budgets, litigation, projected costs and plans and objectives of or involving Sunrise or EP. Sunrise Shareholders can identify many of these statements by looking for words such as “believe”, “expects”, “will”, “intends”, “projects”, “anticipates”, “estimates”, “continues” or similar words or the negative thereof. There can be no assurance that the plans, intentions or expectations upon which these forward looking statements are based will occur. Forward looking statements are subject to risks, uncertainties and assumptions, including those discussed elsewhere in this report. Although Sunrise believes that the plans, intentions and expectations represented in such forward looking statements are reasonable, there can be no assurance that such plans, intentions and expectations will prove to be correct. Some of the risks which could affect future results and could cause results to differ materially from those expressed in the forward looking statements contained herein include: risks inherent in the future prices for oil and natural gas, political and regulatory risks, risks inherent in currency exchange rates, risks inherent in the prices for services and government fiscal regimes and the risk that actual results will vary from the results forecasted and such variations may be material.

The information contained in this report, including the information set forth under “Risk Factors”, identifies additional factors that could affect the operating results and performance of Sunrise. We urge you to carefully consider those factors.

The forward looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The forward looking statements included in this Report are made as at the date of this Annual Report and Sunrise undertakes no obligation to publicly update such forward looking statements to reflect new information, subsequent events or otherwise.

As used in this annual report, the terms "we", "us", "our", "Company" and "Sunrise" means Sunrise Energy Resources, Inc. and its consolidated subsidiaries, unless otherwise indicated.

All dollar amounts refer to US dollars unless otherwise indicated.

The following discussion should be read in conjunction with our financial statements and the related notes that appear elsewhere in this annual report.

COMPANY OVERVIEW

Sunrise Energy Resources, Inc. (“Sunrise” or the “Company”) was incorporated in the State of Delaware on April 1 1991. We are engaged in the development and production of oil and gas properties. Our business activities are presently conducted in Ukraine and we have 8 properties including 3 in Eastern Ukraine and 5 in Western Ukraine. One property out of eight is currently producing. The producing Karaikozovsk block is located in Kharkov Region, Eastern Urkaine. Our activities on the Karaikozovsk block are governed by License number 2489 issued by the Ukrainian State Licensing Agency, on July 2, 2004 for a period of 5 years. The above license is subject to the fulfillment of the license agreement investment terms. In addition to the above mentioned license, in 2004 we were granted License Number 2581 and License Number 2507 for the exploration and development of the Rogan and Rakitnyansk blocks for a period of 5 years. During 2008 our production was limited to Karaikozovsk field.

All of the operating activities of Sunrise Energy Resources Inc. are conducted through its wholly owned subsidiaries: TOV Energy-Servicing Company Esko Pivnich (“Esko Pivnich”), a Ukrainian Closed Joint Stock Company (CJSC) established on January 20, 2000 and Pari, Ltd. organized under the laws of Ukraine. The primary business activities of Esko Pivnich are oil and gas exploration, production and distribution in the country of Ukraine. On October 4, 2004 Sunrise Energy Resources Inc. and certain stockholders of Sunrise Energy Resources Inc. entered into a Stock Purchase Agreement and Plan of Reorganization with the shareholders of Esko Pivnich (the “Agreement”). Pursuant to the Agreement, Sunrise Energy Resources Inc. acquired all of the outstanding common stock of Esko Pivnich, an oil and gas production and development company incorporated and operating in Ukraine. In addition, certain stockholders of Sunrise Energy Resources Inc. sold 5.0 million shares to shareholders of Esko Pivnich (“EP Shareholders”), and the Company also issued 10,479,900 shares to EP Shareholders. As a result of the transaction, Esko Pivnich became a wholly-owned subsidiary of Sunrise.

On or about January 31, 2005, NevWest Securities Corp has filed with the NASD Form 15c-211 and related information on behalf of the Company to act as a market maker for the Company's securities. On or about May 23, 2005, Company's common shares were approved for trading on the OTCBB under the symbol SEYR.

On January 20, 2006, Sunrise Energy Resources, Inc. executed a share purchase agreement with the shareholders of Pari, Ltd, a Ukrainian limited liability company holding exploration licenses for Niklovitsk, Peremyshlyansk, Chukvinsk, Pilipovsk and Sheremetyevsk exploration blocks in the Western Ukraine. The board of directors of Sunrise Energy Resources, Inc. approved the transaction on February 9, 2006. At the time of Pari acquisition, the latter did not have any proved reserves as defined in Rule 4-10(a) of Regulation S-X.

On March 11, 2009 Sunrise Energy Resources, Inc. received a letter from the Company's geologists, Netherland, Sewell & Associates, Inc. stating that based on the prices and costs used in the evaluation, which was conducted in accordance with the guidelines of the US Securities and Exchange Commission (SEC), they have determined that there were no proved reserves in Karaikozovsk field as of December 31, 2008. The Company did not have any proved reserves as defined in Rule 4-10(a) of Regulation S-X in the remaining 7 properties. No geological study has been conducted in regard of these properties.

On March 13, 2008, Millington Solutions LLC notified the Company that it did not intend to extend the maturity date of the convertible note CD-1001 as well as the maturity dates of the convertible notes CD-1009, CD-1011 and CD-1013 tranches. Accordingly, in the event, the Company is unable to secure adequate financing to service the redemption of CD-1001 in the amount of $1,211,621 including interest accrued to March 30, 2009, the Company shall be in default on CD-1001.

In the event, the Company is unable to secure adequate financing to service the redemption of the convertible note CD-1001 the Company shall technically be in default on all tranches CD-1001, CD-1009, CD-1011 and CD-1013 which at that time become immediately due for repayment in the total amount of $5,684,837 including capitalized interest as of March 31, 2009.

On March 27, 2009, the Company received a proposal from Millington Solutions LLC to transfer all Company's assets to Millington Solutions LLC in exchange for the total extinguishment of all liability to Millington Solutions LLC including but not limited to principal and interest accrued under the convertible debenture notes CD-1001, CD-1009, CD-1011 and CD-1013. Millington also agreed to assume all liabilities. Upon deliberation, the management on March 30, 2009 determined to accept the proposal of Millington Solutions LLC for the following key reasons:

- The Company believed that it exhausted all possible ways to raise external financing to redeem CD-1001 in the first instance and other Millington Notes;
- All of the Company's licenses expire in July 2009 and are unlikely to be renewed due to the absence of proved reserves, uncertain prospects and a significant capital infusion required to renew the licenses and further develop them.

Under the proposed transaction structure, the 100% stakes in Esko Pivnich and Pari will be transferred to Millington Solutions LLC in satisfaction of any and all amounts owed to Millington Solutions LLC by the Company. Simultaneously, Millington Solutions LLC will assume and hold the Company harmless of any and all liabilities associated with Esko Pivnich and Pari whether existing prior to the transaction or arising afterwards including without limitation any and all environmental remediation liabilities.

Availability of Reports

Sunrise's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13 (a) or 15 (a) of the Securities Act of 1934 are available from the Securities and Exchange Commission and can be found on the SEC's website at www.sec.gov and at the Company's website www.sunriseenergy.us.

Company Properties

Areas

As of December 31, 2008, the Company's subsidiaries Esko Pivnich and Pari held licenses for the following lease areas listed below:

Subsidiary/Lease	Lease Area Acres
Esko-Pivnich	
Karaikozovsk	32,373
Rakitnyansk	7,908
Rogan	12,850
	53,131
Pari	
Peremyshlyansk	42,009
Niklovitsk	8,649
Chukvinsk	3,954
Pilipovsk	37,067
Sheremetyevsk	9,291
	100,970
Total	**154,101**

Strategy

We intend to continue evaluating opportunities to settle all outstanding liabilities. If in doing so, it becomes necessary to dispose of all or substantially all of the Company's assets, we will immediately engage in the search of new merger or acquisition opportunities.

Customers

During 2008 and 2007 the Company produced approximately 3.7MBBLS and 17.6 MBBLS of crude oil net to the Company, respectively. In addition, the Company produced 396 MMCF of natural gas in 2008 and 201MMCF in 2007, as well as 2.1MMBLS and 7.1MBBLS of condensate in 2008 and 2007. The produced oil & gas and condensate were separated and treated to commercial grade at the Company's on-site separation and storage facility. Our sales during 2008 and 2007 were mostly to independent oil & gas traders.

Competition

The oil & gas industry is highly competitive, and our future plans can be adversely affected by competition from larger and more established oil & gas companies. We compete for reserve acquisitions, exploration licenses, concessions and marketing agreements against companies with financial resources that may significantly exceed ours.

The Ukrainian government may take broad actions to overhaul the current oil & gas regulations, which could allow the entry into the market of additional oil & gas companies, thus increasing the current competition and changing the business climate. However, these changes would also allow the Company to further develop its current properties as well as apply for additional licenses, while using our advantages of operating experience, distribution channels and qualified personnel to further advance our plans.

Government Regulation

Our operations are subject to various levels of governmental controls and regulations in the United States and in Ukraine. We attempt to comply with all legal requirements in the conduct of our operations and employ business practices that we consider to be prudent under the circumstances in which we operate.

In Ukraine legislation affecting the oil and gas industry is under constant review, and may be amended to address industry trends and governmental objectives. Pursuant to such legislation, various governmental departments and agencies have issued extensive rules and regulations that affect the oil and gas industry, some of which carry substantial penalties for failure to comply. These laws and regulations can have a significant impact on the industry by increasing the cost of doing business and, consequently, can adversely affect our profitability. Inasmuch as new legislation affecting the industry is commonplace and existing laws and regulations are frequently amended or reinterpreted, we are unable to predict the future cost or impact of complying with such laws and regulations.

Regulations Governing Ukrainian Companies

Our operating subsidiaries Esko Pivnich and Pari were organized in the form of a Closed Joint Stock Companies ("CJSC"). A Ukrainian CJSC is a limited liability legal entity similar to a corporation formed under US law. Shareholders in a Ukrainian joint stock companies are generally not liable for debts and obligations of the company. In limited liability companies, any transfer of shares by a shareholder to a third party is subject to the pre-emptive right of the other shareholders to acquire such shares at the price offered to a third party.

Under Ukrainian law, most corporate decisions are adopted by a simple majority. Resolutions concerning amendment of the company's charter, reorganizations (including mergers and/or acquisitions), liquidation, increase in authorized shares, and certain other "significant" transactions require the approval of the shareholders holding two thirds of the outstanding shares.

A Ukrainian limited liability company has no obligation to pay dividends to the holders of common shares. Any dividends paid to the shareholders must be recommended by the board of directors and subsequently approved by a majority vote of shareholders. If approved, dividends may be paid on a quarterly basis.

Regulations Governing Ukrainian Production Sharing Agreements (Joint Activity Agreement)

Production Sharing Agreements (PSA) in Ukraine are concluded between the State-owned company Ukrnafta or its regional subsidiary and an investor (normally an exploration and production company). According to standard PSA terms the State assigns to the investor the right to explore and extract mineral resources in the designated subsoil area(s) and to perform the exploration program set forth in the agreement for a specified period of time. In return, the investor undertakes to perform the assigned works at its own cost and risk, with further compensation of the costs and receipt of payment (remuneration) in the form of a portion of the PSA profit.

The State guarantees to the investor the issuance, in compliance with established procedures, of approvals, quotas, permits (licenses) to use subsoil and carry out business activity associated with the proposed exploration deposits, acts for the provision of mining allocations, documents certifying the right to use the land, as well as other permits related to the use of subsoil, and performance of the works stipulated by the PSA.

Profit production (or "profit interest") means the portion of the actual production which is shared between the investor and the State, and is defined as the difference between produced production and cost-recovery production, which is defined as portion of the produced production which is transferred to the Company for its ownership as reimbursement of its costs.

Title to all production produced under the agreement remains with the State until such time as the minerals are extracted and have been measured in accordance with the terms of the PSA. Once extracted and measured, the portion allocated to the Company is transferred to the Company and is lawfully owned by the Company.

The Company has the right to freely dispose of the portion of its allocated production pursuant to the terms and conditions set forth in the PSA, which include: to sell in Ukraine, export, exchange, transfer free of charge and perform any other operations with such production. Such production shall not be subject to licensing or quotas during export, or similar restrictions during its sale in the territory of Ukraine.

Taxation in Ukraine

As Ukrainian tax resident entities, Esko Pivnich and Pari are subject to all applicable Ukrainian taxes, many of which currently impose a significant burden on our profits. The most significant Ukrainian taxes and duties affecting Esko Pivnich and Pari include:

1. 20% value added tax ("VAT"), applicable only to domestic sales and all purchases. Exports denominated in foreign currency are not subject to VAT if denominated in foreign currency. VAT paid on purchases may be offset against the VAT received from customers. The net VAT is payable to the government.

2. 25% income tax which includes 6% federal income tax, 17% regional income tax and 2% local income tax;

3. Withholding tax on dividends payable to Sunrise Energy Resources Inc as the overseas shareholder of Esko Pivnich and Pari. The tax must be withheld by Esko Pivnich and Pari at source from any dividend distributed to Sunrise Energy Resources Inc. The current rate of withholding tax on dividends payable to corporate foreign shareholders is 15%. However, such dividends are subject to and must be made in accordance with regulations contained in the United States – Ukraine tax treaty which limits the tax on dividends payable to Sunrise to 5% (as long as Sunrise holds more than a 10% interest in Esko Pivnich);

4. Our wholly owned subsidiaries are subject to the following payroll related taxes and contributions: Statutory Pension Fund Contribution, Social Insurance Fund Contribution, Unemployment Fund Contribution, and Emergency Insurance Fund Contribution. The current rates applicable to the above contributions to various state funds in 2008 are set out below:

Name	% rate charged on net payroll and payable by the Company	% rate charged on gross payroll and payable by the employee
Statutory Pension Fund	32.3%	2.0%
Social Insurance Fund	2.90%	1.0%
Unemployment Fund	1.60%	0.5%
Emergency Insurance Fund	2.62%	0.5%
Personal Income Tax	—	13.0%
Total payable	**39.42%**	**17.0%**

The same rates are projected for 2009.

The Ukrainian tax system is undergoing a major review. New tax laws, including those applicable to value-added tax and income tax, were introduced and/or reviewed in the last several years. The cost of legal and accounting advice attributable to keeping up with changes in the Ukrainian tax laws has been steadily increasing. Similarly, penalties for violations, even inadvertent ones, have also gradually increased over the above-mentioned period. These and other regulations could materially increase our production costs and have a material adverse effect on our profitability.

Offices and Employees

The headquarters of Sunrise Energy Resources, Inc. are located in New York City at 570 Seventh Avenue, New York, NY 10018. The Ukrainian offices of Esko Pivnich and Pari are located at the following address: 10a Ryleeva St., Kiev, Ukraine. The Company currently has 50 full time employees, all of which but 3 are located in Ukraine.

Risk Factors

The following offers a brief overview of some of the risk factors to be considered in relation to the business of Sunrise, including its related subsidiaries. Specific risk factors to be considered include, but are not limited to, the following:

Risks and Issues Associated with Sunrise

An investment in Sunrise is highly speculative, involves a considerable degree of risk and is suitable only for persons or entities which have very substantial financial means and who can afford to hold their ownership interests for an indefinite period of time. While various oil and gas investment opportunities are abundant, potential investors should consider the risks that pertain to oil and gas development projects in general, and ventures in Ukraine in particular.

Technical Risk

Return on investment is dependent upon successful oil and gas production from EP and Pari's's projects.

Market risk

In the event of successful development of additional oil and gas reserves, the marketing of Sunrise's production of oil and gas from such reserves may be dependent on market fluctuations and the availability of processing and refining facilities and transportation infrastructure, including access to shipping facilities, pipelines and pipeline capacity at economically viable tariffs over which Sunrise may have limited or no control. Pipelines may be inadequately maintained and subject to capacity constraints and tariffs may be increased with little or no notice and without taking into account producer concerns. In addition, EP's ability to export oil and gas may depend on obtaining licenses and quotas, the granting of which may be at the discretion of the relevant regulatory authorities. There may be delays in obtaining such export licenses and quotas leading to the income receivable by Sunrise from the export of oil and gas being adversely affected

In the event, we complete the transaction with Millington Solutions LLC and transfer all or substantially all of our assets to Millington, we will be come a blank-check company and will begin searching for a viable business opportunity or a viable merger candidate. There is no assurance that such opportunity will materialize and no assurance as to the timing of a merger transaction.

Reliance on strategic relationships

In conducting its business, Sunrise will rely on continuing existing strategic relationships and forming new ones with other entities in the oil and gas industry, such as joint venture partners, joint activity agreement partners, production sharing agreement partners and certain regulatory and governmental departments**.** There can be no assurance that our existing relationships will continue to be maintained or that new ones will be successfully formed. Until July 2007, Sunrise's operation of Wells #2 and #3 on Karaikozovsk Lease were subject to a joint activity agreement with Okhtyrkanaftogaz, a subsidiary of the state-controlled Ukrnafta. After July 2007, the above joint activity agreement was terminated and superceded by a well lease agreement.

Competition

A number of other oil and gas companies operate, and are allowed to bid for exploration and production licenses and other interests, in Ukraine, thereby providing competition to the Company. Larger companies, in particular, may have access to greater resources than Sunrise which may give them a competitive advantage.

Prices for oil and gas

The demand for, and price of, oil and gas is highly dependent on a variety of factors, including international supply and demand, the level of consumer demand, weather conditions, the price and availability of alternative fuels, actions taken by governments and international cartels, and global economic and political developments. International oil prices have fluctuated widely in recent years and may continue to fluctuate significantly in the future. The Company believes it may benefit significantly due to the recent developments in the Ukrainian market for gas. In addition, and although not foreseen, the Ukrainian government may oblige domestic producers to sell oil or gas to the state or domestic purchasers at prices well below international levels for indeterminate periods of time.

Currency Exchange Risk

Domestic sales of oil and gas in Ukraine are denominated in local currency (Hryvnia). The US$:Hryvnia exchange rate may move adversely to affect our revenues expressed in US dollars. In addition, there can be no assurance that the Ukrainian authorities may not introduce price stabilization mechanisms which adversely affect oil and gas prices in US dollar terms. While many of Sunrise's financial obligations are denominated in United States dollars, a number of foreign currency effects may arise from exchange rate movements. Sunrise does not hedge its exposure to UAH/USD exchange rate risk.

While the UAH/USD exchange rate stayed flat at UAH5.05 to $1 for almost 6 years prior to 2008, during the second half of 2008, the Ukrainian hryvna weakened to UAH7.70 to $1 which is equivalent to 34% devaluation. Due to Ukraine's political and economic turmoil, the exchange rate is expected to fluctuate broadly in the near future while maintaining a general devaluation trend.

Economic and political risk

Sunrise's operations are confined to Ukraine where there may be a number of associated risks that maybe outside of the Company's control. These risks may include contract renegotiation, contract cancellation, economic, social, or political instability or change, hyperinflation, currency non-convertibility or instability and changes of laws affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange controls, exploration licensing and petroleum export licensing and export duties as well as government control over domestic oil and gas pricing.

Legal systems

Ukraine and other jurisdictions in which Sunrise might operate in the future may have less developed legal systems than more established economies which could result in risks such as (i) effective legal redress in the courts of such jurisdictions, whether in respect of a breach of law or regulation, or in an ownership dispute, being more difficult to obtain; (ii) a higher degree of discretion on the part of governmental authorities; (iii) the lack of judicial or administrative guidance on interpreting applicable rules and regulations; (iv) inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; or (v) relative inexperience of the judiciary and courts in such matters. In certain jurisdictions the commitment of local business people, government officials and agencies and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain, creating particular concerns with respect to Sunrise's licenses and agreements for business. These may be susceptible to revision or cancellation and legal redress may be uncertain or delayed. There can be no assurance that joint activity agreements, joint ventures, licenses, license applications or other legal arrangements will not be adversely affected by the actions of government authorities or others and the effectiveness of and enforcement of such arrangements in these jurisdictions cannot be assured.

Drilling and operating risks

Exploration, development and production activities may be delayed or adversely affected by factors outside Sunrise's controls. These include adverse climatic conditions, the performance of joint venture or farm-in partners on whom EP may be or may become reliant, compliance with governmental requirements, shortage or delays in installing and commissioning plant and equipment or import or customs delays. Problems may also arise due to the quality or failure of locally obtained equipment or interruptions to services (such as power, water, fuel or transport or processing capacity) or technical support which result in failure to achieve expected target dates for exploration or production and/or result in a requirement for greater expenditure. Drilling may involve unprofitable efforts, not only with respect to dry holes and non-commercial wells, which are wells that, though yielding some oil or gas, are not sufficiently productive to justify commercial development or cover operating and other costs. Completion of a well does not ensure a profit on the investment or recovery of drilling, completion and operating costs. Substantial operational risks are involved in the drilling for, development of and production from oil and gas fields, including blow-outs, cratering, explosions, pollution, seepage or leaks, fire, earthquake activity, unusual or unexpected geological conditions and other hazards which may delay, or ultimately prevent, the exploitation of such fields or may result in cost overruns or substantial losses to Sunrise due to substantial environmental pollution or damage, personal injury or loss of life, clean up responsibilities, regulatory investigation and penalties or suspension of operations. Such hazards can also severely damage or destroy equipment, surrounding areas or property of third parties. Damage or loss occurring as a result of such risks may give rise to claims against EP, Pari and/or Sunrise.

Environmental Regulation

The Government of Ukraine, the Ministry of Natural Resources, and other competent agencies establish special rules, restrictions and standards for enterprises conducting activities affecting the Ukrainian environment. A principle of Ukrainian environmental law is that any environmental damage caused by an unlawful activity (i.e. activity conducted in violation of existing standards and restrictions) must be fully compensated. Sunrise is not aware of any claims, demands, proceedings or other actions against Sunrise EP or Pari in respect of environmental matters.

Uninsured Risks

There may be circumstances where Sunrise's insurance or that of the operator of a field will not cover or be adequate to cover the consequences of certain events or where the Company may become liable for pollution or other operational hazards against which it either cannot insure or may have elected not to have insured on account of high premium costs or otherwise. Moreover, there can be no assurance that Sunrise will be able to maintain adequate insurance in the future at rates the Board of Directors consider reasonable. Thus, Sunrise may become subject to liability for hazards which cannot be insured against or against which it may elect not to be insured because of high premium costs or other commercial reasons. There can be no assurance that Sunrise will be able to obtain insurance at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover any such claims.

Dependence on Key Personnel

Sunrise is dependent on the services of certain key executives and personnel for its success. While Sunrise may enter into employment contracts with those persons, the retention of their services cannot be guaranteed. In addition, EP and Pari may find it difficult to recruit new executives and employees. The business may suffer if Sunrise fails to attract, hire or retain the necessary personnel or to retain existing employees.

Risks Associated with International Operations

We are subject to risks inherent to international operations, including adverse governmental actions, political risks and expropriation of assets, loss of revenues and the risk of civil unrest or war. Our primary oil and gas properties are located in Ukraine, which until 1990 was part of the Soviet Union. Ukraine retains many of the laws and customs from the former Soviet Union, but has developed and is continuing to develop its own legal, regulatory and financial systems. As the political and regulatory environment changes, we may face uncertainty with respect to the interpretation of our agreements and in the event of dispute, may have limited recourse within the current or future legal and political system.

Transferability of our common shares

Sunrise Energy Resources` common stock is listed on the OTC Bulletin Board quotation system under the symbol SEYR.OB. On or about February 1, 2005 NevWest Securities, a NASD member firm filed Form 15c211 with the NASD to initiate quotation of our post transaction stock on the OTCBB quotation system. Our common stock began quotation on the OTC Bulletin Board on or about May 23, 2005.

Unregistered Sales of Equity Securities

During the year ended December 31, 2008, the Company issued 1,837,655 shares to purchasers outside the United States in consideration of the net proceeds of $1,837,655. The sale of the shares is exempt from registration under Section 4(2) of the Securities Act of 1933, as amended, as the purchaser had full information concerning the business and affairs of Registrant and all certificates issued bear appropriate restrictive legends. No underwriter was involved in the transaction.

Amendments to Articles of Incorporation or Bylaws; Change in Name

As described in Company's Quarterly Report on Form 10-QSB for the quarter ended September 30, 2004, the Company amended and restated its Certificate of Incorporation effective October 1, 2004. A copy of the Amended and Restated Certificate of Incorporation was filed as an exhibit to the Form 10-QSB.

The Amended and Restated Certificate of Incorporation increased the Company's authorized Capital from 10,000,000 shares of $1.00 par value common stock to 77,500,000 million shares, par value $0.001, of which up to 2,500,000 shares may be designated as preferred shares, par value $0.001. In addition, the name of the Company was changed from Sunrise Energy Services, Inc. to Sunrise Energy Resources, Inc.

ITEM 2. DESCRIPTION OF PROPERTY

Our facilities consist of leased offices in New York City and Kiev, Ukraine, as well as some production properties on the territory of Ukraine. Our executive office in New York is located at 570 7th Avenue, Suite 800, New York, NY 10018, and consists of office space obtained under a sub-lease arrangement with New York Dental Meeting Inc.

Company's offices in Ukraine are located at 10a Ryleeva Street Kiev, Ukraine. In addition, the Company's subsidiary Esko Pivnich owns the production Well #21 of Karaikozovsk lease, exploration Well #1 of Peremyshlyansk lease, oil, gas and condensate separation and treatment facility, workers accommodation huts, motor vehicles and supporting infrastructure.

Petroleum industry in Ukraine

Domestic Ukrainian extraction represents 21% – 24% (or 18 billion cu m) of demand for natural gas and 10% — 12% (or 4 million ton) of demand for crude oil. The supply-demand gap is addressed by imports. The imports mainly come from the neighboring Russia as well as from Kazakhstan and Turkmenistan who also transship their oil & gas via the Ukrainian territory.

With its extensive network of oil and natural gas pipelines, Ukraine is a key transit state for Russian oil and natural gas exports bound for Eastern and Western Europe. The continued increase in oil and natural gas production in Russia and in the Caspian Sea region should enable Ukraine to capture additional transit business from these regions. Ukraine may also capture additional oil transit revenues by using the recently completed Odessa-Brody pipeline.

At present, Ukraine's annual demand stands at around 70 billion cubic meters of natural gas and 32-34 million tons of crude oil. Average annual oil and gas production amounts to 18 billion cubic meters of natural gas and 4 million tons of crude oil. This internal demand stimulates domestic production in an effort to substitute imports that primarily come from Russia and Turkmenistan.

There are three petroliferous provinces in Ukraine. They are located in the West (the Carpathian region), in the east (the Dnipro-Donetsk region), and in the south (the Black Sea and the Crimea region). According to various estimates, Ukraine's hydrocarbons resources may amount to approximately 7-8 billion tons in oil equivalent (approximately 50 billion BOE). Ukraine counts at least 300 potentially economically viable oil and gas fields, of which around 200 have been developed.

Exploration and Producing Licenses

During 2004 the Company received geological and exploration license agreements to develop the Karaikozovsk's, Rogan and Rakitnyansk fields. Particular information with respect to each of these licenses is listed in the following table:

No.	Date issued	Period	Block	Location	Acreage (acres)	Activities
# 2489	Dated 2 July 2004	Valid for: 5 (five) years	Karaikozovsk Field Geographical coordinates: Northern latitude: 1.50000'50" 2.50002'10" 3.49057'10" 4.49057'00" Eastern longitude: 35001'40" 35010'30" 35013'00" 35006'20"	Administrative district: Kharkiv Administrative region: Krasnokutsk Reference location: 10 km south of Krasnokutsk	32,373	Geological Exploration and development of natural gas, crude oil
# 2581	Dated 18 October 2004	Valid for: 5 (five) years	Rogan Field Geographical coordinates: Northern latitude: 1. 49054'50" 2. 49053'30" 3. 49051'20" 4. 49053'30". Eastern longitude: 36030'40" 36042'10" 36039'50" 36029'00"	Administrative district: Kharkiv Administrative region: Kharkiv, Chuguev reference location: 2 km west of Krasnokutsk	12,850	Geological Exploration and development of natural gas, crude oil
# 2507	Dated 22 October 2004	Valid for: 5 (five) years	Rakitnyansk Field Geographical coordinates: Northern latitude: 1.49054'20" 2.49052'50" 3.49051'00" 4.49053'10 Eastern longitude: 35048'50" 25056'00"	Administrative district: Kharkiv Administrative region: Novodolazk, Valkiv	7,908	Geological Exploration and development of natural gas, crude oil

			35056’00” 35047’00”
773076 Series AA	Dated 28 October, 2004	November 5 2004 – November 5 2009	Type of activity: prospecting (exploring) for natural resources geological support of geo-exploration works. Drilling of wells for prospecting (exploration) purposes of oil and natural gas. Assembly and disassembly of drilling equipment for purposes of prospecting (exploring) of oil and gas. Exploration and commercial development of oil and gas deposits cementing of stabilizing columns, major repairs, conservation and plugging of oil and gas wells.
#775113 Series AA	Dated 28 October, 2004	October 28 2004 – October 2009	Construction activities
# 867363 Series AA	Dated 10 November, 2004	November 21 2004 – November 20 2009	Supplying of natural gas on an unregulated tariff basis

Esko Pivnich - During 2004 EP received geological and exploration license agreements to develop the Karaikozovsk, Rogan and Rakitnyansk fields. The following amounts of investments are to be incurred under the terms of those agreements during the periods indicated in the table below:

	Period	Amount To be invested	Amount invested	Remaining Investment
Rogan field	2005-2009	$ 1,916,883	$ 935,747	$ 981,136
Rakitnyansk field	2005-2009	2,583,117	565,357	2,017,760
Karaikozovsk field	2005-2009	2,781,818	6,536,988	-
Total		**$ 7,281,818**	**$ 8,038,092**	**$ 2,998,896**

The amounts mandatory for investment are denominated in UAH and have been translated using the prevailing exchange rates as at December 31, 2008.

Pari - During 2004 Pari received geological and exploration license agreements to develop the Peremishlyansk, Chukvinsk, Scheremetivsk, Niklovitsks and Pilipivsk fields. The following amounts of investments are to be incurred under the terms of those agreements:

	Period	Amount To be invested	Amount Invested	Remaining Investment
Peremishlyansk field	2004-2009	$ 1,532,468	$ 3,130,156	$ -
Chukvinsk field	2004-2009	1,012,987	3,788	1,009,199
Scheremetivsk field	2004-2009	467,533	-	467,533
Niklovitsk field	2004-2009	389,610	11,661	377,949
Pilipivsk field	2004-2009	311,689	-	311,689
Total		**$ 3,714,287**	**3,145,605**	**2,166,370**

The amounts mandatory for investment are denominated in UAH and have been translated using the prevailing exchange rates as at December 31, 2008.

Productive Wells

As at December 31, 2008, the Company had the following number of productive wells and wells in progress.

Property	Karaikozovsk	Rogan	Rakitnyansk	Peremysh-lyansk	Total
Gross Basis					
Oil					
Productive Wells	3	-	-	-	3
Wells in Progress	-	-	-	-	-
Gas					
Productive Wells	3	-	-	-	3
Wells in Progress	-	-	-	1	1
Natural Gas Liquids					
Productive Wells	1	-	-	-	1
Wells in Progress	-	-	-	-	-
Net basis					
Oil					
Productive Wells	3	-	-	-	3
Wells in Progress	-	-	-	-	-
Gas					
Productive Wells	3	-	-	-	3
Wells in Progress	-	-	-	1	1
Natural Gas Liquids					
Productive Wells	1	-	-	-	1
Wells in Progress	-	-	-	-	-

Note: In accordance with the Joint Activity Agreement # 35/970-SD dated August 19, 2004 Esko-Pivnich had 80% working interest in Wells #2 and #3 of Karaikozovsk lease. Effective as of July 31, 2007, the Joint Activity Agreement was terminated and superceded by a lease agreement.

Overview of Regional Geology

Karaikozovsk field

The Company's most explored and developed reserves are currently located in the Karaikozovsk lease. All of Sunrise's production activities during 2008 were conducted on the above lease. The Karaikozovsk lease is located close to the northern border of the Dnieper-Donetsk depression. The structure was discovered in 1957-1958 when the exploration drilling and mapping of the area was conducted. Additional geophysical studies of the area were conducted in 1963 which covered Mesozoic, Permian and Upper Carboniferous horizons while in 1971 Middle and Lower Carboniferous horizons were explored. As a result of the detailed seismic studies conducted in 1972-1973, the area was prepared for exploration drilling, which began in 1976. In 1981 Well #2 was drilled and tested on the Serpukhovian deposits at the producing horizons of S-5, S-5a at the depth interval of 4981-5196 m (approximately 16,400 ft). These tests resulted in a flow rate of 75 cu.m/day (approximately 430 barrels per day), using 10mm choke. In 1982 the field was recorded on the state balance.

The total number of wells drilled in the area included: 12 wildcats and prospecting wells of which two proved commercially viable. The rocks carbonate-terrigenous thickness was uncovered from Quaternary to Lower Carboniferous (Visean stage).

The tectonic fault divides Karaikozovsk lease into two blocks: Karaikozovsk and Lubivsk block.

Proved reserves

On March 11, 2009 we received a letter from the Company's geologists, Netherland, Sewell & Associates, Inc. stating that based on the prices and costs used in the evaluation, which was conducted in accordance with the guidelines of the US Securities and Exchange Commission (SEC), they have determined that there were no proved reserves in Karaikozovsk field as of December 31, 2008. Based on the SEC guidelines and requirements for proving reserves, the Company has no reserves or production in the remaining 7 properties.

ITEM 3. LEGAL PROCEEDINGS

Other than as set forth below, there are no outstanding legal proceedings material to the Company to which Sunrise or any of Sunrise's assets are subject, nor are there any such proceedings known to be contemplated. Management believes that the resolution of all business matters which would have a material impact on the Company's financial position or operating results have been recorded.

We are not aware of any material, active or pending legal proceedings against us, nor are we involved as a plaintiff in any material proceedings or pending litigation. There are no proceedings in which any of our directors, officers or affiliates, or, to the best of our knowledge, any registered or beneficial shareholders are involved or have a material interest against us in a matter concerning Sunrise or our operations.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted to a vote of security holders during the year ended December 31, 2008. The only matter submitted to a vote of our security holders during the year ended December 31, 2004, was a proposal for the Amendment and Restatement of the Company's Certificate of Incorporation, which was approved by a written consent of holders holding a total of more than 90% of the outstanding shares. The Amended and Restated Certificate of Incorporations became effective September 30, 2004.

PART II:

ITEM 5. MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDERS MATTERS

Sunrise Energy Resources` common stock is listed on the OTC Bulletin Board quotation system under the symbol SEYR.OB. On or about February 1, 2005 NevWest Securities, a NASD member firm filed Form 15c211 with the NASD to initiate quotation of our post transaction stock on the OTCBB quotation system. Our common stock began quotation on the OTC Bulletin Board on or about May 23, 2005.

The following quotations reflect the high and low daily closing prices for our common stock obtained from Quotestream for the periods indicated below are as follows:

OTC Bulletin Board

Quarter ended	High	Low
March 31, 2008	$ 1.15	$ 1.10
June 30, 2008	$ 1.15	$ 1.01
September 30, 2008	$ 1.01	$ 0.08
December 31, 2008	$ 0.08	$ 0.08

Computershare Trust Company Inc., located at 350 Indiana Street Suite 800 Golden Colorado 80401 (Tel 303-262-0600 Fax 303-262-0700) is the registrar and transfer agent for our common shares.

As of March 30, 2009, we had 23,542,337 shares of common stock outstanding or committed for issuance, and approximately 1,250 stockholders of record. This number of stockholders does not include stockholders who hold our securities in street name.

Dividend Policy

We have not declared or paid any cash dividends since inception. Although there are no restrictions that limit our ability to pay dividends on our common shares, we intend to retain our future earnings for use in our operations and expansion of our business and do not intend to pay any cash dividends in the foreseeable future. We do not anticipate that cash dividends will be issued in the foreseeable future.

Changes in Securities

The Amended and Restated Certificate of Incorporation became effective October 1, 2004 and increased Company's authorized Capital from 10,000,000 shares of $1.00 par value common stock to 77,500,000 million shares, par value $0.01, of which up to 2,500,000 shares may be designated as preferred shares, par value $0.001. In addition, the name of the Company was changed from Sunrise Energy Services, Inc. to Sunrise Energy Resources, Inc.

As part of the transactions described above, Sunrise Energy Resources, Inc. has issued and delivered to the EP and Pari Shareholders a total of 10,479,900 and 161,014 shares of its common stock, respectively. The sale and subsequent transfer of the shares is exempt from registration under Section 4(2) of the Securities Act of 1933, as amended, as the purchaser had full information concerning the business and affairs of Company and all certificates issued bear appropriate restrictive legends. No underwriter was involved in the transaction.

ITEM 6. MANAGEMENT DISCUSSION AND ANALYSIS OF PRINCIPAL CONDITIONS AND OPERATIONS

Risk Factors

(SEE ALSO DISCUSSION OFCERTAIN RISK FACTORS IN ITEM 1 OF THIS ANNUAL REPORT)

Much of the information included in this Annual Report includes or is based upon estimates, projections or other "forward looking statements". Such forward looking statements include any projections or estimates made by us and our management in connection with our business operations. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding the direction of our business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggested herein.

Such estimates, projections or other "forward looking statements" involve various risks and uncertainties as outlined below. We caution the reader that important factors in some cases have affected and, in the future, could materially affect actual results and cause actual results to differ materially from the results expressed in any such estimates, projections or other "forward looking statements".

Our common shares are considered speculative during our search for new and additional business opportunities. Prospective investors should consider carefully the risk factors set out below and elsewhere in this Report.

<u>Exploration and Development Risks</u>

Our success is dependent on finding, developing and producing economic quantities of oil and gas. Our future drilling operations may not be successful in finding and producing economic reserves. We are also subject to other operating risks normally associated with the exploration, development and production of oil and gas. These risks include high pressure or irregularities in geological formations, blowouts, cratering, fires, shortages or delays in obtaining equipment and qualified personnel, equipment failure or accidents, and adverse weather conditions, such as winter snowstorms. These risks can result in unfavorable events, or they may result in higher costs and operating delays. We maintain very limited insurance coverage and such coverage may not be effective to fully compensate for these risks. In many cases, such coverage is either not available or is not cost-effective in light of our operations in Ukraine.

<u>Oil and Gas reserve risks</u>

Proved oil and gas reserves are the estimated quantities of natural gas, crude oil and condensate that geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions. Reserves are considered proved if economical production is supported by either actual production or conclusive formation tests. Reserves that can be produced economically through application of improved recovery techniques are included in the "proved" classification when successful testing by a pilot project or the operation of an installed program in the reservoir provides support for the engineering analysis on which the project or program is based. Proved developed oil and gas reserves can be expected to be recovered through existing wells with existing equipment and operating methods.

Sunrise emphasizes that the volumes of reserves are estimates which, by their nature, are subject to revision. These estimates were made using available geological and reservoir data, as well as production performance data. These estimates are reviewed annually and revised, either upward or downward, as warranted by additional performance data. In addition, our reserves are contained in carbonate reservoirs, and there is substantial uncertainty with regard to carbonate reservoirs as compared to sandstone reservoirs.

On March 11, 2009 we received a letter from the Company's geologists, Netherland, Sewell & Associates, Inc. stating that based on the prices and costs used in the evaluation, which was conducted in accordance with the guidelines of the US Securities and Exchange Commission (SEC), they have determined that there were no proved reserves in Karaikozovsk field as of December 31, 2008. Based on the SEC guidelines and requirements for proving reserves, the Company has no reserves or production in the remaining 7 properties.

Marketing and oil & gas prices

Our future success is dependent on being able to transport and market our production either within Ukraine or export it to international markets. Thus, our revenues could be adversely affected by issues which are beyond our control relating to the crude oil and gas transportation infrastructure both within and outside Ukraine. The export of oil from Ukraine depends on access to transportation routes, primarily pipeline systems, which can have limited available capacity and are subject to other restrictions. Gas pipeline access is the only method to sell gas production either domestically or for export, and thus the Company is subject to the risk that unless the Company obtains access to pipelines to transfer gas to Ukraine, the price at which the Company sells its gas may remain well below the market price. We have connected the gas and condensate separation facility at Karaikozovsk lease to Bogodukhov-Stepove regional gas pipeline. There is no gas pipeline connection at the Company's other properties as they are not presently producing. The majority of our customers buy the oil and condensate from us at wellsite by collecting it from our storage facility in tank-trucks. Prior to the completion and launch of the Company's oil, gas and condensate separation and gathering facility at Karaikozovsk property in September 2007, we also shipped certain amounts of oil and gas mixture that we produced by pipe to Kachanovskiy oil refinery for separation and treatment to pipeline grade.

The prices of oil, gas and natural gas liquids are subject to significant volatility in response to changes in supply, market uncertainty and a variety of other factors beyond our control.

Limited operating history; anticipated losses; uncertainly of future results

The Company has a limited operating history upon which an evaluation of its prospects can be made. There can be no assurance that the Company will effectively execute its business plan and expand its operations, or that the Company's future operational and financial objectives will be met. Future development and operating results will depend on many factors, including access to adequate capital, the demand for the Company's products, the level of product and price competition, the Company's success in setting up and expanding distribution channels, and whether the Company can control costs. Many of these factors are beyond the control of the Company. In addition, the Company's future prospects must be considered in light of the risks, expenses, and difficulties frequently encountered in establishing a new business in the oil and gas industry, which is characterized by intense competition, rapid technological change, highly litigious competitors and significant regulation.

Political Risks

The market in Ukraine is monitored by the government, which could impose taxes or restrictions at any time which would make operations unprofitable and infeasible and cause a write-off of capital investment in Ukrainian opportunities.

A number of factors, beyond the Company's control and the effect of which cannot be accurately predicted may affect raising capital to finance the Company's expansion. These factors include the regulation of foreign ownership and investment, acceptance of foreign investors, and the regulation of oil and gas production and exporting activities.

Risks Associated with International Markets

The Company's operations have thus far been confined to Ukraine. However, the future success of the Company will depend in part on its ability to generate sales on international markets. There can be no assurance, however, that the Company will be successful in generating these sales. In addition, these will be subject to a number of risks, including: foreign currency risk; the risks that agreements may be difficult or impossible to enforce and receivables difficult to collect through a foreign country's legal system; foreign customers may have longer payment cycles; or foreign countries could impose withholding taxes or otherwise tax the Company's foreign income, impose tariffs, embargoes, or exchange controls, or adopt other restrictions on foreign trade. In addition, the laws of certain countries do not protect the Company's operations to the same extent as the laws of the United States.

Although not all of our present officers or directors are key to our continuing operations, we rely upon the continued service and performance of these officers and directors, and our future success depends on the retention of these people, whose knowledge of our business and whose technical expertise would be difficult to replace. At this time, none of our officers or directors is bound by employment agreements, and as a result, any of them could leave with little or no prior notice.

Competition for qualified individuals is likely to be intense, and we may not be able to attract, and retain additional highly qualified personnel in the future. The failure to attract, integrate, motivate and retain these employees could harm our business.

Regulation

Although we will be subject to regulation under the Securities Exchange Act of 1934, management believes that we will not be subject to regulation under the Investment Company Act of 1940, insofar as we will not be engaged in the business of investing or trading in securities. In the event that we engage in business combinations which result in us holding passive investment interests in a number of entities, we could be subject to regulation under the Investment Company Act of 1940, meaning that we would be required to register as an investment company and could be expected to incur significant registration and compliance costs. We have obtained no formal determination from the Securities and Exchange Commission as to the status of our company under the Investment Company Act of 1940 and, consequently, any violation of such act would subject us to material adverse consequences.

Exposure to foreign exchange rate fluctuations

With the majority of our operations being located in Ukraine, all of our revenues and the majority of our expenses are denominated in Ukrainian hryvnas. We currently do not and do not plan in the near future to hedge our exposure to changing foreign exchange rates. Any unfavorable changes in the applicable foreign exchange rates may have a material effect on our financials and performance.

While the UAH/USD exchange rate stayed flat at UAH5.05 to $1 for almost 6 years prior to 2008, during the second half of 2008, the Ukrainian hryvna weakened to UAH7.70 to $1 which is equivalent to 34% devaluation. Due to Ukraine's political and economic turmoil, the exchange rate is expected to fluctuate broadly in the near future while maintaining a general devaluation trend.

Indemnification of Directors, Officers and Others

Our by-laws contain provisions with respect to the indemnification of our officers and directors against all expenses (including, without limitation, attorneys' fees, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with any proceeding arising by reason of the fact that the person is one of our officers or directors) incurred by an officer or director in defending any such proceeding to the maximum extent permitted by Delaware law.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of our company under Delaware law or otherwise, we have been advised that the opinion of the Securities and Exchange Commission is that such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable.

Future Dilution

Our statutory documents authorize the issuance of 75,000,000 common shares, each with a par value of $0.001. In the event that we are required to issue any additional shares or enter into private placements to raise financing through the sale of equity securities, investors' interests in our Company will be diluted and investors may suffer dilution in their net book value per share depending on the price at which such securities are sold. If we issue any such additional shares, such issuances also will cause a reduction in the proportionate ownership and voting power of all other shareholders. Further, any such issuance may result in a change in our control.

Anti-Takeover Provisions

We do not currently have a shareholder rights plan or any anti-takeover provisions in our By-laws or corporate charter. Without any anti-takeover provisions, there is no deterrent for a take-over of the Company, which may result in a change in our management and directors.

Discussion and Analysis of Financial Condition

Introduction

The following discussion and analysis addresses changes in our financial condition and results of operations during the years ended December 31, 2008 and 2007.

Management's key objectives for 2008 were:

o Acquire a 3-D seismic of Karaikozovsk lease;
o Transfer Well #3 of Karaikozovsk lease to produce from V-14 gas horizon;
o Deepen Well #14 on Karaikozovsk lease and sidetrack the salt dome;
o Approach completion of Well #1 of Peremyshlyank field;
o Commence geological and research works on Rogan and Rakitnyansk properties;

Except transferring Well #3 of Karaikozovsk property to produce from a gas horizon and performing limited work at the Company's Rogan and Rakitnyansk properties, other key management objectives were not attained as a result of the inability to raise sufficient funding.

Current Activities

During 2008, our production was limited to Wells #2, #3 and #21 of Karaikozovsk lease. During the year we produced 3.7 MBBLS of oil from Well #2. During the year we also produced 76.2 MMCF of natural gas from Well #3 and 320.4 MMCF of natural gas from Well #21. In addition, during the year we produced 0.2 MBBLS and 1.9 MBBLS of condensate from Wells #3 and #21.

As at December 31, 2008, the Company completed drilling approximately 95% of exploration Well #1 of Peremyshlyank lease in Western Ukraine. The Company lacked sufficient funds to drill the well to the projected depth, test the well and complete it. Because the well has not been completed and therefore geological evaluation cannot be performed in accordance with SEC guidelines, the costs associated with drilling this well are classified as drilling in progress. If ultimate evaluation determines there are no proved reserves, these costs will be expensed.

Results of Operations

Oil and gas production and revenue

During the year ended December 31, 2008, Esko Pivnich had net production of 3,687 barrels ("BBLS") of crude oil, 396,604 thousands of cubic feet ("MCF") of natural gas, and 2,090 barrels ("BBLS") of condensate respectively. As at December 31, 2008 the Company carried inventory of oil of 283 BBLS and 368 BBLS of condensate while as at December 31, 2007 the Company had the inventory of 103 BBLS of oil and 635 BBLS of condensate.

We recognize revenue from the sale of oil and condensate when the purchaser takes delivery of the oil at the field. The revenue from the sale of natural gas is recognized at the metering node installed at the point of connection of the Bogodukhov-Stepove gas pipeline with the gas flow line from the storage and separation facility at Karaikozovsk lease.

During the year ended December 31, 2008 the Company sold 3,405 BBLS of its internally produced crude oil at an average price of $72.70 per BBL translating into net revenues from sales of internally produced oil of $247,535. In addition, the Company sold 395,505 MCF of gas at an average price of $4.63/MCF translating into net revenues from sales of produced gas of $1,832,862. Also, the Company generated $173,480 from the sales of 2,351 BBLS of produced condensate at an average price of $73.79.

Efffective from August 1, 2007, the Company had 100% working interest in Karaikozovsk lease but had to pay Okhtyrkanaftogaz a monthly rental fee equivalent to $18,495 for the usage of Wells #2 and #3 of Karaikozovsk property. The Company has 100% working interest and does not have to pay any rental fees with respect to Well #21 of Karaikozovsk field since the Company financed 100% of Well #21 drilling costs.

All sales agreements were short-term in nature. The above agreements can be extended subject to the consent of the parties. Our crude oil and natural gas liquids are sold on the ex-works basis and natural gas is sold at the pipeline measuring node. Therefore, the company does not normally incur significant transportation expenses.

Production Costs

Provided below is the analysis of the average selling prices and production costs during 2006-2008 period presented on the net basis.

For the years Ended	12/31/2008	12/31/2007	12/31/2006
Production[1]			
Oil, BBLS	3,687	17,577	29,494
Natural Gas Liquids, BBLS	2,090	7,068	-
Natural Gas, MCF	396,604	201,414	21,377
Barrels of Oil Equivalent, BOE[3]	71,878	58,213	33,057
Average sales price			
Oil, $/BBL	72.70	51.78	55.14
Natural Gas Liquids, BBLS	73.79	54.70	
Natural Gas, $/MCF	4.63	3.06	1.36
Average oil and natural gas cost of production, $/BOE[2]	21.76	26.36	24.03

[1]Calculated on the net production basis (net to the Company) based on 80% working interest in Karaikozovsk property prior to August 1, 2007.

[2]Includes direct lifting costs (labor, repairs and maintenance, materials and supplies), expensed workover costs and the administrative costs of field production personnel, insurance and ad valorem taxes.

[3]Natural gas is converted to oil equivalent at the rate of 6MCF of gas equaling 1 BOE.

Operating income

The average sales prices rose in 2008 from their 2007 levels in sync with the global energy boom experienced in second and third quarter of 2008. This effect was not lasting. When the boom was followed by a slump in late 2008 the Company's sales prices also went down from their highs to $30.20 per barrel for crude oil, $39.95 per barrel of condensate and $4.12 per MCF of natural gas in December 2008.

The reduction in the average production costs from $26.36/BOE in 2007 down to $21.76/BOE in 2008 was mainly caused by the streamlining of the Company's operations and the management's cost cutting programs as well as a higher absorption of fixed production overheads resulting from the higher production.

Exploration and development

Exploration expense, which includes geological and geophysical expense and the cost of unsuccessful exploratory wells, is recorded as an expense in the period incurred under the successful efforts method of accounting. During 2008 and 2007, we incurred $342,484 and $285,397 in exploration and development expenses, respectively.

Depreciation, depletion and amortization

Depreciation, depletion and amortization ("DD&A") of oil and gas properties is calculated using the useful life of assets method.

The depreciation of Well #21 drilling and in-ground infrastructure costs in the amount of $1,600,000 was the largest contributor into the total depreciation charge for 2008 in the amount of $1,909,821.

Sales, general and administrative expenses

Sales, general and administrative expenses in 2008 went down to $1,193,607 from $1,492,790 in 2007. The reduction was mainly caused by smaller Other Professional Expenses that went down from $346,386 in 2007 to $139,125 in 2008 and Miscellaneous Expenses that went down from $308,826 in 2007 to $51,830 in 2008.

Interest expense

Interest expense went down from $919,498 in 2007 to $522,584 in 2008 as a result of the lower amount of debt in the Company's capital structure. The main contributor to the reduction was the extinguishment of the Dutchess Note in February 2008.

Impairment Loss

Based on the geologists' report stating that the Company had no proved reserves in Karaikozovsk lease as of December 31, 2008, in accordance with SFAS 144, we recognized the impairment loss in the amount of $3,519,704. The impairment loss was computed as the difference between the carrying value of the assets and their estimated realizable value.

Liquidity and Capital Resources

Since inception, we have financed our operations from private sources. We anticipate continuing losses in the near future while Esko Pivnich and Pari establish steady production of hydrocarbons in Ukraine. As at December 31, 2008 the Company had total current assets of $2,038,656 and total current liabilities of $10,984,513. As at December 31, 2008, the Company had cash balances of $43,396 and a working capital deficit of $8,945,857.

We are currently discussing various financing options with private investors that include Company shareholders however, no assurance can be provided as to if, when and in what amount such new financing may be received by the Company. Failure to timely receive such financing may cause us to significantly curtail or altogether suspend our capital expenditure program. This may, in turn, have material adverse effect on our production activities.

Cash flow

Cash (used)/provided by operating activities for the years ended December 31, 2008 and 2007 amounted to $1,150,443 and $(848,262), respectively. The increase in operating cashflow by $1,998,705 was primarily caused by a larger decrease in other accounts receivable of $606,091 (2007: decrease of $23,311), a decrease in taxes receivable of $273,077 in 2008 (2007: increase of $705,554), and a smaller reduction in taxes payable of $152,687 (2007:$513,839).

During 2008 and 2007, the Company invested in fixed assets a total amount of $3,698,730 and $4,761,141, respectively, which were financed by private equity placements, convertible debentures placements and promissory notes.

Cash Requirements

The Company anticipates it will require around $6 million to service the principal and interest payments on the Company's liabilities including the principal and the accrued interest on the Millington Solutions LLC convertible debentures facility in the amount of $5,684,837 and pay the on-going maintenance expenses. Because the Company has been unable to obtain additional capital to fund these requirements, the Company has agreed to transfer 100% stakes in Esko Pivnich and Pari containing substantially all assets of the Company to Millington Solutions LLC in settlement of all amounts owed to the latter.

Income Taxes, Net Operating Losses and Tax Credits

Currently, the Company is liable for Ukrainian income tax at a rate of 25% of the pre-tax earnings as defined by the Ukrainian income tax law. The taxation system in Ukraine is evolving as the central government transforms itself from a command to a market-oriented economy. Based on current tax law and the United States — Ukraine income tax treaty, the income tax paid in Ukraine will be creditable tax when determining the Company's US income taxes payable, if any.

Critical Accounting Policies and Recent Accounting Pronouncements

We have identified the policies below as critical to our business operations and the understanding of our financial statements. The impact of these policies and associated risks are discussed throughout Management's Discussion and Analysis where such policies affect our reported and expected financial results. A complete discussion of our accounting policies is included in Note 1 of the Notes to Consolidated Financial Statements.

Functional and Reporting Currency

The reporting currency of the accompanying consolidated financial statements is the US dollars. Ukrainian entities use Ukrainian Hrivna (UAH) as their functional currency since their most revenues and operating expenses are denominated in Ukrainian Hrivnas. The Ukrainian Hrivna is not a fully convertible currency outside of the territory of the Ukraine. The translation of Hrivna denominated assets and liabilities into US dollars for the purpose of these consolidated financial statements does not indicate that the Company could or will in the future realize or settle in US dollars the translated values of these assets and liabilities.

The prevailing exchange rate at December 31, 2008 was approximately 1 U.S. dollar to 7.70 Ukrainian Hrivnas from 1 U.S. dollar to 5.05 Ukrainian Hrivnas at December 31, 2008. For the years ended December 31, 2008 and 2007, the average exchange rates to 1 U.S. dollar were approximately 5.267 and 5.05 Ukrainian Hrivnas, respectively.

While the UAH/USD exchange rate stayed flat at UAH5.05 to $1 for almost 6 years prior to 2008, during the second half of 2008, the Ukrainian hryvna weakened to UAH7.70 to $1 which is equivalent to 34% devaluation. Due to Ukraine's political and economic turmoil, the exchange rate is expected to fluctuate wildly in the near future while continuing on the devaluation trend.

Principles of Consolidation

The consolidated financial statements incorporate the financial statements of Sunrise Energy Resources Inc. and other enterprises, where the Company, directly or indirectly exercises control. Control is achieved where the Company has the power to govern the financial and operating policies of an invested enterprise so as to obtain benefits from its activities.

All significant intercompany transactions, balances and unrealized gains (losses) on transactions are eliminated on consolidation.

Use of Estimates

The preparation of financial statements in accordance with United States generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could materially differ from these estimates.

Oil and Gas Reserve Information

On March 11, 2009 we received a letter from the Company's geologists, Netherland, Sewell & Associates, Inc. stating that based on the prices and costs used in the evaluation, which was conducted in accordance with the guidelines of the US Securities and Exchange Commission (SEC), they have determined that there were no proved reserves in Karaikozovsk field as of December 31, 2008. At present, the Company does not have proved reserves as defined in Rule 4-10(a) of Regulation S-X for the remaining 7 properties.

Successful Efforts Method of Accounting

We will follow the successful efforts method of accounting for our investments in oil and gas properties, as more fully described in Note 1 of the Notes to Consolidated Financial Statements. This accounting method has a pervasive effect on our reported financial position and results of operations.

Revenue Recognition

For revenue from product sales, the Company recognizes revenue in accordance with SEC Staff Accounting Bulletin No. 104, "Revenue Recognition in Financial Statements" ("SAB 104"). SAB 104 requires that four basic criteria must be met before revenue can be recognized: (1) persuasive evidence of an arrangement exists; (2) delivery has occurred; (3) the selling price is fixed and determinable; and (4) collectibility is reasonably assured.

Criterion (1) is met as every delivery is covered by a separate contract and the title passes to the customer only upon customer's acceptance at point of destination, which is in compliance with criterion (2). Determination of criteria (3) and (4) are based on management's judgments regarding the fixed nature of the selling prices of the products delivered and the collectibility of those amounts. Provisions for discounts and rebates to customers, and other adjustments are provided for in the same period the related sales are recorded. The Company defers any revenue for which the product has not been delivered and accepted by its customers. In accordance with the Company's standard contract terms, once delivered and accepted the product cannot be returned and no claims can be presented to the Company. The Company recognizes revenue on gross basis.

Going Concern

The Company's consolidated financial statements have been presented on the basis that it is a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. As shown in the consolidated financial statements, the Company incurred a net loss of $6,449,398 during the year ended December 31, 2008, and, as of December 31, 2008, the Company's current liabilities exceeded its current assets by $8,945,857. Additionally, to fully develop the area covered by the Company's licenses, the Company needs substantial additional funding.

In view of the matters described in the preceding paragraph, recoverability of a major portion of the recorded asset amounts shown in the accompanying balance sheet is dependent upon continued operations of the Company, which in turn is dependent upon the Company's ability to meet its financing requirements on a continuing basis, primarily by the Company's ability to raise additional funds in equity markets, and to succeed in its future operations. The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or amounts and classification of liabilities that might be necessary should the Company be unable to continue its existence.

Management has taken the following steps to revise its operating and financial requirements, which it believes are sufficient to provide the Company with the ability to continue in existence.

- During 2009, the Company needs to raise approximately $6 million to repay the Millington Notes. If the Company fails to raise the above amount it will explore alternative opportunities of settling the Millington Notes. Such alternative opportunities may include sale of some or all of the Company's assets.

- Subject to a successful resolution of the Millington situation, the Company plans to continue to raise additional capital in the equity markets as significant source of funding the development of the Licenses.

Accordingly, our independent auditors included an explanatory paragraph in their report on the December 31, 2008 financial statements regarding concerns about our ability to continue as a going concern. Our financial statements contain additional note disclosures describing the circumstances that lead to this disclosure by our independent auditors.

ITEM 7. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Our consolidated financial statements are stated in United States dollars and are prepared in accordance with United States generally accepted accounting principles. The Report of Independent Registered Public Accounting Firm, John A. Braden & Co., P.C. on the consolidated financial statements of Sunrise Energy Resources, Inc., and its subsidiaries (the "Company") for the year ended December 31, 2008 is included herein immediately preceding the audited consolidated financial statements for the respective periods.

**Former name of Sunrise Energy Resources, Inc. as filed in information statement on from 14f-1 on January 3, 2005, pursuant to Section 14fc of the Act reporting the Company's plan to complete the acquisition and modify the control of the Company and the make up of the Board of Directors.*

SUNRISE ENERGY RESOURCES, INC.
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007

Index

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

TO THE DIRECTORS AND STOCKHOLDERS OF SUNRISE ENERGY RESOURCES, INC AND SUBSIDIARIES:

We have audited the accompanying consolidated balance sheet of Sunrise Energy Resources, Inc. and Subsidiaries (“the Company”) as of December 31, 2008, and the related consolidated statements of operations and comprehensive loss, changes in stockholders’ equity and cash flows for the years ended December 31, 2008 and 2007. These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sunrise Energy Resources, Inc and Subsidiaries at December 31, 2008, and the related consolidated results of their operations and cash flows for the years ended December 31, 2008 and 2007, in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As shown in the financial statements, the Company incurred a net loss of $6,449,398 during the year ended December 31, 2008, and, as of December 31, 2008, the Company’s current liabilities exceeded its current assets by $8,945,857. These factors, among others, including the Company’s ability to develop the properties for which the Company has licenses, as discussed in Note 1 to the financial statements, raise substantial doubt about the Company’s ability to continue as a going concern. Management’s plans in regard to these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

John A. Braden & Company, P.C.

Houston, Texas
March 30, 2009

SUNRISE ENERGY RESOURCES INC.
CONSOLIDATED BALANCE SHEETS
(Expressed in US Dollars)

	December 31, 2008
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	$ 43,396
Accounts receivable – related party	120,095
Other accounts receivable and prepayments	384,637
Inventories	28,486
Taxes receivable	1,462,042
Total current assets	2,038,656
NONCURRENT ASSETS	
Property, plant and equipment, net	189,614
Drilling in process	4,953,041
Lease/concession acquisition cost of Pari	53,857
Long-term financial investments	2,303
Deferred tax asset	53,843
TOTAL ASSETS	**$ 7,291,314**
LIABILITIES AND STOCKHOLDERS' EQUITY	
CURRENT LIABILITIES	
Accounts payable	$ 137,595
Accounts payable – related party	2,751,568
Taxes payable	278,144
Short term notes payable	5,987,408
Other accounts payable and accruals	864,878
Other accounts payable - related party	275,091
Prepayments for oil and gas	298,632
Interest payable	239,886
Interest payable – related party	139,508
Profit interest payable	11,802
Total current liabilities	10,984,512
Long-term payable – related party	1,205,900
STOCKHOLDERS' EQUITY	
Common Stock, $.001 par value, 75,000,000 authorized, 23,542,337 issued and outstanding	23,542
Additional Paid-in-Capital	6,479,170
Retained earnings (Accumulated deficit)	(9,972,957)
Accumulated other comprehensive income – foreign currency	(1,428,853)
Total stockholders' equity (deficit)	(4,899,098)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**$ 7,291,314**

The accompanying notes are an integral part of the consolidated financial statements.

SUNRISE ENERGY RESOURCES INC. CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Expressed in US Dollars except share amounts)

	For the years ended December 31 2008	2007
REVENUES		
Produced oil & gas	$ 2,253,866	$ 2,377,642
Purchased oil & gas	118,663	389,790
	2,372,529	2,767,432
COST OF SALES	(177,172)	(354,524)
	2,195,357	2,412,908
Operating expenses	(1,564,073)	(1,713,658)
Depreciation and depletion expenses	(1,909,821)	(697,173)
Other operating income (expense)	97,270	(11,241)
Sales, general and administrative expenses	(1,193,607)	(1,492,790)
OPERATING INCOME (LOSS)	(2,374,874)	(1,501,954)
OTHER INCOME (EXPENSE)		
Interest income		758
Interest expense	(522,584)	(919,498)
Production sharing agreement working interest expense		(40,109)
Foreign exchange (loss) gain	(5,951)	(26,011)
Loss on disposal of fixed assets		(74,875)
Gain from reversal of accrued VAT liability		598,324
Other income (expense), net	(32,275)	
(LOSS) INCOME BEFORE TAX AND EXTRAORDINARY ITEMS	(2,935,683)	(1,963,365)
LOSS ON IMPAIRMENT OF ASSETS	(3,519,704)	
INCOME TAX	5,990	(39,452)
NET LOSS	(6,449,398)	(2,002,817)
Other comprehensive loss		
Foreign currency translation loss	(1,396,661)	-
COMPREHENSIVE LOSS	$ (7,846,059)	$ (2,002,817)
BASIC LOSS (EARNINGS) PER SHARE	$ (0.35)	$ (0.11)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	22,623,335	18,894,350

The accompanying notes are an integral part of the consolidated financial statements.

SUNRISE ENERGY RESOURCES INC.
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (CAPITAL DEFICIT)
(Expressed in US Dollars except share amounts)

	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive (Loss)	Total Stockholder's Equity (Capital Deficit)
BALANCE, DECEMBER 31, 2006	**17,161,014**	**17,161**	**80,824**	**(1,520,742)**	**(32,192)**	**(1,454,949)**
Private placement of shares	4,493,668	4,494	4,435,079			4,439,573
Shares issued for services	50,000	50	127,450			127,500
Net loss for the year				(2,002,817)		(2,002,817)
BALANCE, DECEMBER 31, 2007	**21,704,682**	**$ 21,705**	**$ 4,643,353**	**$ (3,523,559)**	**$ (32,192)**	**$ 1,109,307**
Private placement of shares	1,837,655	1,837	1,835,817			1,837,654
Net loss for the year				(6,449,398)		(6,449,398)
Comprehensive loss for the year					(1,396,661)	(1,396,661)
BALANCE, DECEMBER 31, 2008	**23,542,337**	**$ 23,542**	**$ 6,479,170**	**$ (9,972,957)**	**$ (1,428,853)**	**$ (4,899,098)**

The accompanying notes are an integral part of the consolidated financial statements.

SUNRISE ENERGY RESOURCES INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (RESTATED)
(Expressed in US Dollars)

	For the years ended December 31 2008	2007
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
Net loss	$ (6,449,398)	$ (2,002,817)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and depletion expense	1,909,821	697,173
Loss on impairment of assets	3,519,704	
Provision for doubtful accounts		-
Deferred tax (gain) expense	21,935	(3,360)
Net accrued interest	75,233	413,515
Ammortization of shares issued for services		127,500
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	45,396	-
(Increase) in other accounts receivable and prepayments	606,901	23,311
(Increase) decrease in inventories	10,063	302,465
(Increase) decrease in taxes receivable	273,077	(705,554)
Increase (decrease) in accounts payable	810,509	1,076,650
Increase (decrease) in taxes payable	(152,687)	(513,839)
Increase (decrease) in other accounts payable and accruals	99,179	(509,718)
Increase (decrease) in prepayments for oil and gas	(113,596)	(160,746)
Increase in interest payable	494,306	407,159
	1,150,443	(848,261)
CASH PROVIDED BY FINANCING ACTIVITIES:		
Short term notes issued		2,523,103
Short term notes repaid	(558,257)	(2,140,683)
Long term loans received		-
Proceeds from share issuance	1,837,655	4,439,573
Short terms loans paid		-
Long term notes issued		856,200
Long term notes repaid		(186,000)
	1,279,398	5,492,193
CASH USED IN INVESTING ACTIVITES:		
Purchase of property, plant and equipment	(3,698,730)	(4,761,141)
Long term investment purchased		(74,022)
Cash inflow on the acquisition		-
	(3,698,730)	(4,835,163)
Effect of exchange rate changes	1,300,370	
INCREASE (DECREASE) IN CASH:	31,481	(191,231)
CASH, at the beginning of the period	11,915	203,146
CASH, at the end of the period	**$ 43,396**	**$ 11,915**
INCOME TAX PAID	$ 146,697	$ 45,945
INTEREST PAID IN CASH	$ -	$ 316,798
Non-cash investing and financing transactions:		
Issuance of common stock to Dutchess Private Equity Fund for placement agency services	$ -	$ 127,500
Issuance of promissory Note as payment for services to MI SWACO	$ -	$ 237,677

The accompanying notes are an integral part of the consolidated financial statements.

1. NATURE OF BUSINESS

All operating activities of Sunrise Energy Resources Inc. are conducted through its wholly owned Ukrainian subsidiaries, TOV Energy-Servicing Company Esko Pivnich ("Esko Pivnich" or "EP") and Pari ("Pari") both formed as Ukrainian Closed Joint Stock Companies (CJSC). Esko Pivnich and Pari are engaged in oil and gas exploration and development in the country of Ukraine. During 2008 the Company's revenues were derived exclusively from Esko Pivnich's activities on Karaikozovsk lease in Eastern Ukraine where the Company was producing from 3 wells internally labeled #2, #3 and #21. Well #21 of Karaikozovsk property was put into production on September 1, 2007.

Until July 31, 2007, Esko Pivnich's involvement in wells #2 and #3 of Karaikozovsk lease was governed by joint activity agreements (JAA). On that date the effective JAA #35/970-SD was superseded by a Lease Agreement # 4/1220-OR dated August 1, 2007. In accordance with the lease agreement, the Company's wholly owned subsidiary Esko Pivnich shall pay Okhtirkaneftegas an equivalent of $18,945 per month at the prevailing exchange rate for the usage of all facilities at Karaikozovsk property that are owned by Okhtirkaneftegas including Well #2 and #3. The above flat fee does not depend upon the amount of hydrocarbons actually produced from Karaikozovsk lease.

Since 2000, Esko Pivnich has been a party to the following joint activity and lease agreements with regard to Karaikozovsk property.

JAA/ Lease Agreement	Counterparty	Status	EP Capital Contribution*, %	EP Profit Share*, %
JAA # 01-SD dated April 26, 2000	Poltavaneftegazgeologiya	Superceded by PSA # 35/970-SD.	100%	60%
JAA # 35/970-SD dated August 19, 2004	Okhtyrkaneftogaz	Terminated on July 31, 2007 and superceded by Lease Agreement effective on August 1, 2007.	80%	80%
Lease Agreement # 4/1220-OR dated August 1, 2007	Okhtyrkaneftogaz		100%	100%

* Esko Pivnich's capital constribution and profit share were applicable only to Wells #2 and #3 of Karaikozovsk lease. Well #21 of Karaikozovsk block has been 100% financed by Esko Pivnich. Accordingly, 100% of profits or losses from Well #21 accrue to Esko Pivnich. The Company is not a party to any joint activity or other agreements with respect to remaining properties. In the event, the Company's subsidiaries do not enter into joint activity agreements, the Company's subsidiaries shall be responsible for 100% of the capital expenditures on such properties and, accordingly, 100% of the profits or losses from wells drilled on these properties shall accrue to the Company.

In addition to selling oil and gas produced from its Karaikozovsk block, during the periods presented, the Company purchased oil and gas from third parties. The purchased hydrocarbons were subsequently resold to third parties in order to enable Esko Pivnich to fulfill its monthly delivery obligations.

Sunrise Energy Resources Inc. currently has its headquarters at the following address: 570 Seventh Avenue, Suite 800, New York, New York 10018.

Esko Pivnich and Pari conduct their operations from a Kiev office located at the following address: 10a Rileeva St., Kiev, Ukraine.

At December 31, 2008 the company employed 50 people.

2. PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

Basis of Presentation – These consolidated financial statements have been prepared by the Company in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

Going concern — The Company's consolidated financial statements have been presented on the basis that it is a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. As shown in the consolidated financial statements, the Company incurred a net loss of $6,449,398 during the year ended December 31, 2008, and the Company's current liabilities exceeded its current assets by $8,945,857.

In view of the matters described in the preceding paragraph, recoverability of a major portion of the recorded asset amounts shown in the accompanying balance sheet is dependent upon continued operations of the Company, which in turn is dependent upon the Company's ability to meet its financing requirements on a continuing basis by raising additional funds in equity markets. At the present time the Company does not believe it will be able to obtain additional funding. The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

Use of Estimates and Assumptions – The preparation of consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and the disclosure of contingent assets and liabilities. Due to the inherent uncertainty in making those estimates, actual results reported in future periods could differ from such estimates.

Functional and Reporting Currency – US dollar is the reporting currency of the accompanying consolidated financial statements. The Company's Ukrainian subsidiaries use Ukrainian Hrivna (UAH) as their functional currency since their most revenues and operating expenses are denominated in Ukrainian Hrivnas. The Ukrainian Hrivna is not a fully convertible currency outside of the territory of the Ukraine. The translation of Hrivna denominated assets and liabilities into US dollars for the purpose of these consolidated financial statements does not indicate that the Company could or will in the future realize or settle in US dollars the translated values of these assets and liabilities.

The prevailing exchange rate at December 31, 2008 was approximately 1 U.S. dollar to 7.70 Ukrainian Hrivnas from 1 U.S. dollar to 5.05 Ukrainian Hrivnas . During the years ended December 31, 2008 and 2007, the foreign exchange rate was at 5.267 and 5.05 Ukrainian Hryvnas to 1 U.S. dollar respectively.

While the UAH/USD exchange rate stayed flat at UAH5.05 to $1 for almost 6 years prior to 2008, during the second half of 2008, the Ukrainian hryvna weakened to UAH7.70 to $1 which is equivalent to 34% devaluation. Due to Ukraine's political and economic turmoil, the exchange rate is expected to fluctuate wildly in the near future while continuing on the devaluation trend.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Consolidation – The consolidated financial statements incorporate the financial statements of Sunrise Energy Resources Inc. and other enterprises, where the Company, directly or indirectly exercises control. Control is achieved where the Company has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities. All significant intercompany transactions, balances and unrealized gains (losses) on transactions are eliminated on consolidation.

Revenue Recognition – For revenue from product sales, the Company recognizes revenue in accordance with SEC Staff Accounting Bulletin No. 104, "Revenue Recognition in Financial Statements" ("SAB 104"). SAB 104 requires that four basic criteria must be met before revenue can be recognized: (1) persuasive evidence of an arrangement exists; (2) delivery has occurred; (3) the selling price is fixed and determinable; and (4) collectibility is reasonably assured.

Criterion (1) is met as every delivery is covered by a separate contract and the title passes to the customer only upon customer's acceptance at point of destination, which is in compliance with criterion (2). Determination of criteria (3) and (4) are based on management's judgments regarding the fixed nature of the selling prices of the products delivered and the collectibility of those amounts. Provisions for discounts and rebates to customers, estimated returns and allowances, and other adjustments are provided for in the same period the related sales are recorded. The Company defers any revenue for which the product has not been delivered and accepted by its customers. In accordance with the Company's standard contract terms, once delivered and accepted the product cannot be returned and no claims can be presented to the Company. The Company recognizes revenue on gross basis.

During 2008 the Company had revenues from the sale of petroleum products produced from Karaikozovsk lease (Note 4 and Note 23) and from products purchased from third parties. On March 11, 2009 we received a letter from the Company's geologists, Netherland, Sewell & Associates, Inc. stating that based on the prices and costs used in the evaluation, which was conducted in accordance with the guidelines of the US Securities and Exchange Commission (SEC), they have determined that there were no proved reserves in Karaikozovsk field as of December 31, 2008.

Property, Plant and Equipment – As of the date of the financial statements, most assets capitalized are directly related to drilling costs, above ground storage, distribution and production facilities. The Company has adopted the policy of accounting for oil and gas properties using the successful efforts method of accounting whereby property acquisitions, successful exploratory wells, all development costs, and support equipment and facilities are capitalized. Unsuccessful exploratory wells are expensed when a well is determined non-productive. Other exploratory expenditures, including geological and geophysical costs are expensed as incurred. Depreciation, depletion and amortization of capitalized costs is calculated based on useful economic life of the resulting assets. Capitalized Lease/Concession acquisition costs are depreciated over the life of the related drilling rights.

Production and related overhead costs are expensed as incurred. Depreciation of assets not directly associated with oil production and certain workover costs on properties has been calculated on a straight-line basis over the economic lives of such assets, estimated to be in the following ranges:

Property and Equipment	2 years
Well #21drilling costs, casing and tubing	Over the remaining life of the exploration license (expires on June 30, 2009)
Other Oil&Gas Equipment	10-12 years
Storage tanks	10 years
Above ground pipelines and flowlines	20 years
Office Equipment	5 years
Computer Equipment	3 years

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the income statement.

In accordance with SFAS 144, we test our long-lived assets for impairment by comparing the carrying value of the assets with the undiscounted expected cashflows from the investments. In the event, the aggregate undiscounted expected cashflows from the investments are below the carrying value of the above investments, the unamortized costs of such fixed assets will be reduced to their fair value. Simultaneously, we will recognize the impairment loss as the amount by which the fair value of the investments exceeds their carrying value. Based on the geologists' report stating that the Company had no proved reserves in Karaikozovsk lease as of December 31, 2008, in accordance with SFAS 144, we recognized the impairment loss in the amount of $3,519,704. The impairment loss was computed as the difference between the carrying value of the assets and their estimated realizable value. According to the management estimates, the net realizable value of drilling and completion costs as well as capitalized well workovers and repairs was close to Nil while the value of the above ground infrastructure and facilities was assumed to be 10% of their carrying value which approximated the scrap value of these assets. As at December 31, 2008, the Construction-in-Progress balance of $4,953,041 represented Well #1 of Peremyshlyansk property in Western Ukraine. At the time of this report, the well was 95% finished in terms of drilling but was not tested or completed. Because of the inability to obtain funding, the Company has been unable to complete this well. No impairment loss was recognized in regard of this well.

We assess unproved properties on an annual basis to determine whether they have been impaired. If we drill a dry well on a property and elect to abstain from further drilling on this property, the above property will be deemed impaired and we will recognize the impairment loss. Costs related to infrastructure are evaluated by the management based on continuing valuation and future benefit to the Company. If such assets are determined to have lost value, we will recognize impairment at the time.

Leasing – Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risk and rewards of ownership to the lessee. All other leases are classified as operating leases.

There were no assets held under financial leases. Operating leases are expensed in the period in which they are incurred.

Inventories – Inventories are stated at the lower of cost or net realizable value. Cost comprises direct cost of extracted oil and gas, its transportation and handling physically in the pipelines or storages prior to the delivery for sale.

Cost is calculated using weighted average method. Net realizable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

Accounts Receivable – Accounts receivable are stated at their net realizable value after deducting provisions for uncollectible amounts. Because all sales are paid in advance, there are no trade receivables.

Cash and Cash Equivalents – Cash include petty cash and cash held in checking bank accounts. Cash equivalents include short-term investments with an original maturity of three months or less that are readily convertible to known amount of cash which are subject to insignificant risk of changes in value. Cash and cash equivalents as of December 31, 2008 consisted mainly of the UAH and USD denominated current accounts.

Loans and Other Borrowings – All loans and borrowings are recorded at the proceeds received, net of direct issue costs.

Borrowing Costs – Borrowing costs are recognized as an expense in the period in which they are incurred.

Trade and Other Payables – Liabilities for trade and other amounts payable are stated at their nominal value.

Value added tax on purchases and sales – Output Value Added Tax (VAT) related to sales is payable to tax authorities upon collection of receivables from customers. VAT paid on purchases can be offset against VAT collected on sales and payable to the state. In the event the resulting net amount is a liability, it is payable to the state. Conversely, in the event the net VAT balance is an asset it may be carried on the Company's balance sheet ("Deferred VAT") to be offset against VAT liability arising in future periods. In case a provision for bad and doubtful receivables has been accrued in relation to accounts deemed to be uncollectible, the resulting bad debt expense is recognized for the invoice value gross of including VAT. The arising VAT deferred liability is maintained until the account is settled or until the account is written off. Ultimate realization of VAT assets is dependent on the Company's continuation and future sales against which VAT assets can be offset. In addition, realization is dependent on taxing authorities approving and funding refunds.

Income Taxes – Income tax has been computed based on the results for the year as adjusted for items that are non-assessable or non-tax deductible.

The Company has adopted Financial Accounting Standards No. 109 ("SFAS 109"), under which the deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax basis used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its tax assets and liabilities on a net basis.

Deferred tax is calculated at rates that are expected to apply to the period when the asset is realized or the liability is settled. It is charged or credited to the income statement, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

Fair value of Financial Instruments — The Company's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of financial instruments approximate their carrying values due to the immediate or short term maturity of these financial instruments.

Earnings (Loss) per Share – Earnings (loss) per share are computed in accordance with SFAS No. 128, "Earnings Per Share". Basic earnings (loss) per share are calculated by dividing the net income (loss) available to common stockholders by the weighted average number of shares outstanding during the year. Diluted earnings per share reflect the potential dilution of securities that could share in earnings of an entity. In a loss year, dilutive common equivalent shares are excluded from the loss per share calculation as the effect would be anti-dilutive.

Comprehensive Income - Statement of SFAS 130, "Reporting Comprehensive Income," establishes standards for reporting and displaying of comprehensive income, its components and accumulated balances. Comprehensive income is defined to include all changes in equity except those resulting from investments by owners and distributions to owners. Among other disclosures, SFAS 130 requires that all items that are required to be recognized under current accounting standards as components of comprehensive income be reported in a financial statement that is displayed with the same prominence as other financial statements. Foreign exchange measurement gains and losses of the Company are reflected in Comprehensive gains and losses.

Retirement Benefit Costs – The operating divisions of the Company located in Ukraine contribute to the state pension, medical and social insurance and employment funds on behalf of all its current employees. Any related expenses are recognized in the income statement as incurred.

Segment Reporting – The Company's business operations are located in the Ukraine and include exploration and production of hydrocarbons. Therefore, the Company's business activities are subject to the same risks and returns and are addressed in the consolidated financial statements of the Company as one segment.

4. JOINT ACTIVITY AND LEASE AGREEMENTS

JAA # 01-SD dated April 26, 2000

In August 2000 Esko Pivnich together with the state owned geological enterprise Poltavaneftegasgeologiya executed a joint activity agreement ("JAA") to start exploration and development of Karaikozovsk field located in Krasnokutsk area of Kharkov region. Under the terms of JAA Poltavaneftegasgeologiya acted as the holder of the main geological and exploration licenses to develop Karaikozovsk field and Esko Pivnich acted as an investor into the JAA. Esko Pivnich's total contribution into PSA #01-SD amounted to $596,188.

In November 2000 a subsidiary of JSC Ukrneft, Okhtirkaneftegas, was admitted into the JAA. Okhtirkaneftegas owned two wells on Karaikozovsk block, the operational usage of which was contributed into the JAA. Also, Okhtirkaneftegas made a commitment to render to JAA certain exploration and capital repair services at market rates.

In May 2003, due to the expiration of geological and exploration licenses held by Poltavaneftegasgeologiya, all exploration and development activities on Karaikozovsk's field were temporarily suspended.

JAA # 35/970-SD dated August 19, 2004

In 2004 Esko Pivnich filed an application with the Ukrainian State Committee for Mineral Resources to continue the exploration and development of Karaikozovsk field and in July 2004 the Esko Pivnich obtained the exploration license for Karikozovsk block for the period of 5 years. In accordance with the terms of JAA #35/970 Esko Pivnich was liable to finance 80% of the capital expenditures while Oktyrkanaftogaz was liable to finance 20% of the capital expenditures required to maintain and operate Wells #2 and #3. Esko Pivnich and Okhtyrkanaftogaz participated in the resulting profits(losses) from Wells #2 and #3 in the same proportions. JAA #35/970 only concerned Wells #2 and #3 of Karaikozovsk property which were originally owned by Okhtyrkaneftegas and did not apply to Well #21 or any other facilities such as the gathering, separation and storage facility and a pipeline both financed solely by Esko Pivnich. JAA #35/970 was terminated on July 31, 2007 and was superseded by well lease agreement # 4/1220-OR.

Lease Agreement # 4/1220-OR dated August 1, 2007

In accordance with the agreement, the Company's wholly owned subsidiary Esko Pivnich shall pay Okhtirkaneftegas an equivalent of $18,945 per month at the prevailing exchange rate for the usage of all facilities located on Karaikozovsk block including Wells #2 and #3 that are owned by Okhtirkaneftegas.

5. ACCOUNTS RECEIVABLE (RELATED PARTY)

Accounts receivable as of December 31, 2008, consisted of the following:

	12/31/2008
CJSC Infox, related party	$ 120,095
Total	**$ 120,095**

Accounts receivable as of December 31, 2008 consisted of $120,095 receivable from CJSC Infox, a related party that resulted from several crude oil shipments which took place in 2004 and 2003. No provision for bad debts has been recorded for these accounts. Management of the Company believes that the outstanding amount will be settled in full during 2009 or offset against $2,751,568 owed to CJSC Infox (Note 12).

6. OTHER ACCOUNTS RECEIVABLE AND PREPAYMENTS

Other accounts receivable and prepayments made as of December 31, 2008 were as follows:

	12/31/2008
Vixen JLM	$ 84,406
Naftogasservice	19,523
SDCH	96,400
Georesource	38,961
Ukrfinresource2004	55,019
Svako	38,083
Other	52,245
Other accounts receivable and prepayments, net of provision for doubtful accounts of $29,870	**$ 384,637**

The amount due from SDCH related to excess production tubing sold to the above company. The advance paid to Vixen JLM relates to a prepayment for well casings. The amount due from Vixen went down from $128,699 as at 12/31/2007 to $84,406 as at 12/31/2008.

7. INVENTORIES

Inventories as at December 31, 2008 consisted of the following:

	12/31/2008
Crude oil and condensate – at cost	$ 28,486
	-
Total	**$ 28,486**

Inventories as at December 31, 2008 were represented by the balances of crude oil produced internally in the amount of 283 BBLS and condensate in the amount 368BBLS.

8. TAXES RECEIVABLE

Taxes receivable as of December 31, 2008 consisted of the following:

	12/31/2008
VAT receivable	$1,165,064
Other tax prepaid	296,978
Total	**$1,462,042**

Taxes receivable balance as of December 31, 2008 is comprised of VAT receivable and other advance tax payments. VAT receivable was discounted at 15% annual rate based on average six months turnover period. Relatively high receivables balances result from high VAT paid on capital expenditures. The VAT receivable is recognized as an asset and is netted off against VAT liability to the state budget. The VAT liability arises when the Company sells its products and receives payment from its customers together with VAT levied on sales. Due to limited sales made by the Company there is no assurance that the above asset will be realized in full. No allowance for the future uncertainty of realization has been made. The above asset is carried on the balance sheets of the Company's subsidiaries Esko Pivnich and Pari. In the event, the Company completes the sale of its assets to Millington Solutions LLC in lieu of settlement of the Millington Notes (Note 18) through the transfer of 100% stakes in Esko Pivnich and Pari, the above asset will be transferred along with other assets and liabilities held by the subsidiaries and will be classified as discontinued operations (Note 25).

9. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment as at December 31, 2008 consisted of the following:

	12/31/2008
Gathering, separation and storage facilities	165,909
Other above-ground infrastructure	45,662
Drilling in process	4,953,041
Office equipment	34,295
	5,198,907
Accumulated Depreciation and Depletion	(56,252)
Net Book Value	**5,142,655**

As at December 31, 2008, the Construction-in-Progress balance of $4,953,041 represented Well #1 of Peremyshlyansk property in Western Ukraine. At the time of this report, the Well was 95% finished in terms of drilling but was not tested or completed.Because of the inability to obtain funding, the Company has been unable to complete this well. Upon completion, a determination of reserves will be made and if reserves are not determined to be sufficient, these costs will be expensed. In the event, our assets transfer to Millington Solutions LLC is completed, the Company believes that the salvage value of equipment and other assets remaining at Esko Pivnich and Pari will be sufficient to cover the costs of retiring the assets including any environmental remediation.

Based on the geologists' report stating that the Company had no proved reserves in Karaikozovsk lease as of December 31, 2008, in accordance with SFAS 144, we recognized the impairment loss in the amount of $3,519,704. The impairment loss was computed as the difference between the carrying value of the assets and their estimated realizable value. According to the management estimates, the net realizable value of drilling and completion costs as well as capitalized well workovers and repairs was close to Nil while the value of the above ground infrastructure and facilities was assumed to be 10% of their carrying value which approximated the scrap value of these assets.

Karaikozovsk assets as at 12/31/08	Carrying Amount	Impairment Loss	Effect of exchange rate Changes	Estimated Realizable Value
Drilling and completion costs	$ 605,387	$ (885,034)	$ 279,647	$ -
Capitalized well workovers and repairs	175,987	(257,281)	81,294	-
Gathering, separation and storage facilities	1,506,390	(1,982,017)	626,266	150,639
Other above ground infrastructure	300,945	(395,373)	124,928	30,049
Total	$ 2,588,258	$ (3,519,704)	$ 1,112,135	$ 180,689

10. LONG-TERM FINANCIAL INVESTMENT

As at December 31, 2008, long-term investments consisted of $2,303 that represented 10 common shares of JSC "Ukrneft" at par value of 0.25 UAH accounted for at cost, which approximates their fair market value.

11. INCOME TAX

The Company's provision for income tax for the year ended December 31, 2008 was as follows:

	12/31/2008
Current tax	$ 15,944
Deferred tax (gain)	(21,934)
Total income tax expense (benefit)	**$ (5,990)**

Deferred taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes.

The change for the year in the Company's deferred tax position was as follows:

	12/31/2008
Net asset at the beginning of the period	$ 75,777
Charged to income for the period	(21,934)
Net asset at the end of the period	**$ 53,843**

The tax effect of the major temporary differences that give rise to the deferred tax assets as at December 31, 2008 is presented below:

	12/31/2008
Temporary differences that give rise to deferred tax assets	
Provision for doubtful receivables	$ (29,870)
Valuation of VAT receivable	(84,158)
Low value items written off	(3,035)
Difference in depreciable value of property, plant and equipment due to expensing in prior period allowed by Ukrainian law	170,906
Total	**$ 53,843**

The deferred tax assets as at December 31, 2008, calculated at effective Ukrainian income tax rate of 25%, consist of the following:

	12/31/2008
Deferred tax assets	
Provision for doubtful receivables	$ (7,468)
Valuation of VAT receivable	(21,040)
Low value items written off	(759)
Difference in depreciable value of property, plant and equipment due to expensing in prior period under Ukrainian law	42,728
Total	**$ 13,461**

The taxation charge for the year is different from that which would be obtained by applying the Ukrainian statutory income tax rate to the net loss before income tax. Below is a reconciliation of theoretical income tax at 25% to the actual benefit recorded in the Company's income statement:

	12/31/2008
(Loss) before income tax and minority interest	$(2,935,683)
Theoretical income tax benefit at statutory rate of 25%	(733,921)
Adjustments due to:	
Tax effect of expenses that are not deductible in determining taxable profit	727,931
Income tax (benefit)	**$ (5,990)**

As of December 31, 2008 the Company had no loss carry forward for Ukrainian statutory income tax purposes. For United States income tax purposes, the Company has a net operating loss carry forward of $2,772,958 which expires in 2028. As a result, the company has a deferred tax asset of $942,806 which is fully reserved because of the uncertainty of realization.

12. ACCOUNTS PAYABLE

Accounts payable as of December 31, 2008 consisted of the following:

	12/31/2008
Accounts payable	$ 137,595
CJSC Infox, related party	2,751,568
Total	**$2,889,163**

Third parties accounts payable balances as of December 31, 2008 were comprised of payable to Okhtirkaneftegas for services.

The amount of $2,751,568 payable to the related party, CJSC Infox, as of December 31, 2008, is related to well drilling and repair services, provided to EP by third party service companies and paid by CJSC Infox on behalf of the Company.

13. TAXES PAYABLE

Taxes payable as of December 31, 2008 and consisted of the following:

	12/31/2008
VAT	$ 237,307
Exploration tax	21,579
Profit tax	254
Resource Tax	10,483
Social insurance	5,472
Personal Income Tax	1,815
Other taxes payable	1,234
Total	**$ 278,144**

All above amounts are current.

14. SHORT TERM NOTES PAYABLE

As of December 31, 2008, short-term payable balances including capitalized interest consisted of the following:

Lender/Note	Coupon Rate	Conv. Price $/share	Issue date/ Effective Date	Due not earlier than	12/31/2008
Millington Solutions Ltd.					
CD-1001	10%	$ 2.20	03/30/2006	03/30/2009	$ 1,109,812
CD-1009	10%	$ 2.20	06/06/2006	06/06/2009	2,408,142
CD-1011	6%	$ 1.40	07/25/2006	07/25/2009	904,905
CD-1013	7%	$ 3.00	02/01/2007	02/01/2010	905,969
					5,328,828
Fort Trade			Nov- 2004	Nov- 2009	305,195
Gamma Vid					169,758
MI SWACO					155,880
Budcom					14,894
Astark					9,351
Sipay					3,502
Total					**$ 5,987,408**

Millington Solutions

The principal under convertible debenture notes CD-1001, CD-1009, CD-1011 and CD-1013 (Note 19) has been reclassified from Long-term Notes Payable section as Millington Solutions LLC called for a repayment of CD-1001. Due to the Company's cash shortage, the Company agreed on March 30, 2009 to transfer all its assets to Millington Solutions LLC in exchange for the cancellation of all above convertible debentures and release of all claims (Notes 20 and 25).

Placement of Convertible Notes

Effective March 30 and June 6, 2006, Sunrise Energy Resources, Inc. executed a Convertible Note Subscription Agreement with Millington Solutions Limited to complete a $1.0 million and $2.0 million, respectively, private placement financing in the form of 10% convertible notes. Each tranche will mature in 3 years of the receipt of funds. The coupon is accrued at the rate of 10% per annum on the unconverted amount and is payable annually on each 12 month anniversary of each tranche until conversion or maturity. The Notes can be converted into Common shares of the Company at a conversion price of $2.20 at the holder's option at any time before the maturity date of each tranche. For Notes converted between interest due dates, the interest would accrue pro-rata and would be paid in the form of additional shares of the Company's Common stock. The number of such additional shares shall be calculated at the same conversion price.

On July 25, 2006 the Company executed a Convertible Note Subscription Agreement with Millington Solutions Limited for the total amount of $1.0 million with 6% coupon and the conversion price of $1.40 per share. All other terms were identical to the Convertible Note Subscription Agreements that were signed on March 30 and June 6, 2006.

On February 1, 2007, the Company executed Convertible Note Subscription Agreement with Millington Solutions Limited for the total amount of $1.0 million with 7% coupon and the conversion price of $3.00 per share. All other terms were identical to the Convertible Note Subscription Agreements that were signed on March 30 and June 6, 2006.

Interest Capitalization

On March 15, 2007 the Company and Millington Solutions Ltd. agreed that interest accrued under the Convertible Debenture Note agreements CD-1001, CD-1009, CD-1011 and CD-1013 (“the Notes”) may be at the Borrower’s election paid when due in accordance with the Convertible Debenture Note terms; or fully or partially capitalized. In the event, the Borrower elects to capitalize the accrued interests under the Notes, the accrued interest shall be added to the outstanding principal. Following such election, the interest in subsequent periods shall accrue on the increased principal balance at the rate provided by each Convertible Debenture Note agreement. The increased outstanding principal may be converted into the Borrower’s shares of common stock in accordance with the terms of each Convertible Debenture Note. On March 20, 2007, the Borrower elected to capitalize the interest payments on CD-1001 and CD-1009 due on the first annual anniversary of each tranche. In addition, on July 10, 2007, the Borrower elected to capitalize the interest payments on CD-1011 due on the first annual anniversary of each tranche. On February 1, 2008, the Borrower elected to capitalize the interest payments on CD-1013 due on the first annual anniversary of each tranche. Further, on March 20, 2008, the Borrower elected to capitalize the interest payments on CD-1001 and CD-1009 due on the second annual anniversary of each tranche. In addition, on July 10, 2008, the Borrower elected to capitalize the interest payments on CD-1011 due on the second annual anniversary of each tranche.

Millington Solutions was duly notified of the Borrower’s election and the Lender’s acknowledgement of the above election is kept on the Company’s file.

Settlement

Pursuant to Clause 1 of the Convertible Debenture Agreements CD-1001, CD-1009, CD-1011 and CD-1013, the Company must repay the principal together with the accrued interest within 3 (three) years of the receipt of funds. The first Convertible Debenture Agreement CD-1001 for the face value of $917,200 is dated March 30, 2006 and matures on March 30, 2009. On March 13, 2008, Millington Solutions LLC notified the Company that it did not intend to extend the maturity date of CD-1001 as well as the maturity dates of CD-1009, CD-1011 and CD-1013 tranches. Accordingly, in the event, the Company is unable to secure adequate financing to service the redemption of CD-1001 in the amount of $1,211,621 including interest accrued to March 30, 2009, the Company shall be in default on CD-1001.

Furthermore, pursuant to Clause 3 - “Lender’s Right of Acceleration” of the Convertible Debenture Agreements CD-1001, CD-1009, CD-1011 and CD-1013, the Lender has the right, to declare the entire unpaid principal and interest under the Note due immediately if the Borrower fails to make any payment of principal or interest within fifteen days after its due date or if one or more judgments which in the aggregate exceed $100,000 are entered against the Borrower. Accordingly, in the event, the Company is unable to secure adequate financing to service the redemption of CD-1001 and/or any other tranche, the Company shall technically be in default on all tranches CD-1001, CD-1009, CD-1011 and CD-1013 which at that time become immediately due for repayment in the total amount of $5,684,837 including capitalized interest as of March 31, 2009.

MI SWACO Note

On July 5, 2007 Pari, the Company’s wholly owned subsidiary issued interest free notes to MI SWACO Ukraine as payment for services having face value of $155,880. The notes were due on July 10, 2008. As of the date of this report, the notes have not been repaid and the Company and the creditor are evaluating opportunities to restructure the notes.

Other promissory notes

Short term promissory notes outstanding as of December 31, 2008 and issued in November 2002 at no interest, were payable by November 5, 2005. These notes in the amounts of $9,351 and $3,502 are payable to Astark and Sipay, respectively. As of December 31, 2008 the holders of the notes had not called for the repayment of the respective amounts. Any valuation adjustment due to the lack of interest has not been calculated, however, such amounts, if any, are not considered to have a material effect on these financial statements. In addition, $14,894 was owed to Budcom and was related to construction services performed during first quarter of 2008.

15. OTHER CURRENT LIABILITIES

Other accounts payable and accruals as of December 31, 2008 consisted of the following:

	12/31/2008
Naftoservice	$ 410,172
Zakhidukrgeology	95,482
Poltavaneftegasgeology	73,079
Chernigovneftegasgeology	65,465
Ukrgeofizika	42,725
Fort Trade PP	30,390
Other	147,565
Total	**864,878**
Advances from shareholders	275,091
Total	**$1,139,969**

$410,172 due to Naftoservice was related to was related to a supply of casing pipe to the Company's Rogan property. The amount of $95,482 due to Zakhidukrgeologiya was related to drilling services of the exploration Well #1 of Peremyshlyansk property. Other accounts payable and accruals as of December 31, 2008 mostly consisted of geological and exploration works, as well as payroll, short term advances to employees and other prepayments for repair and construction services. The amount of $275,091 represents advances from shareholders with no specific terms paid to the Company during 2005 and 2006.

16. PREPAYMENTS FOR OIL AND GAS

During 2008, the Company sold oil, gas and natural gas liquids to its customers mainly on prepayment basis. As of December 31, 2008, the prepayments received from customers in respect of future deliveries of oil, gas and natural gas liquids consisted of the following:

	12/31/2008
Ukrnadraresourse	$ 290,631
Other prepayments	8,001
Prepayments for oil and gas	**$ 298,632**

17. INTEREST PAYABLE

Interest payable as of December 31, 2008 consisted of the following:

	12/31/2008
Millington Solutions Limited	$ 239,886
	239,886
Related Parties	
Zaccam Trading, related party	117,032
Interest accrued on advances received from shareholders	22,476
	139,508
Total	**$ 379,394**

As of December 31, 2008 the amount due to Millington Solutions Limited represented uncapitalized interest accrued on several tranches of convertible debentures placed by the Company in 2006 and 2007.

Interest due to Zaccam Trading relates to credit line facility bearing 3% coupon per annum (Note 19) obtained in 2005.

18. PROFIT INTEREST PAYABLE

Profit interest related to the Company's production sharing agreements payable as of December 31, 2008 consisted of the following:

	12/31/2008
Poltavaneftegasgeologiya	$ 11,802
Total	**$ 11,802**

19. LONG-TERM PAYABLE

As of December 31, 2008, long term payable balances including capitalized interest consisted of the following:

Lender	Issue date/ Effective Date	Due not earlier than	12/31/2008
Related parties			
Zaccam Trading, Ltd.	03/5/2005	03/5/2015	1,205,900
Total			**$ 1,205,900**

Long term payable to Zaccam Trading, Ltd., related party as of December 31, 2008 represents uncollateralized credit line facility with the limit of $5,000,000 bearing 3% per annum accruing on outstanding principal and payable annually (See also Note 17).

20. MILLINGTON CONVERTIBLE DEBENTURE VALUATION

The management believes that apart from the embedded conversion option the convertible debentures ("the Convertible Notes") issued by the Company to Millington Solutions Ltd. the Company does not have any other embedded derivatives. As can be seen from the following table, at the time of issuance, all embedded conversion features were far out of the money:

Convertible Note	Coupon Rate	Conv. Price $/share	Maximum Price*	Average Price*	Negative Intrinsic Value**	First Tranche Date	Last Tranche Date
CD-1001	10%	$ 2.20	$ 0.85	$ 0.85	(61)%	4/5/2006	5/30/2006
CD-1009	10%	$ 2.20	$ 1.00	$ 0.73	(55)%	6/18/2006	10/1/2006
CD-1011	6%	$ 1.40	$ 1.00	$ 0.83	(29)%	9/21/2006	1/26/2007
CD-1013	7%	$ 3.00	$ 2.50	$ 2.65	(17)%	2/12/2007	6/22/2007

* Highest and average closing prices on the date of receipt of funds under each tranche during the period between the first and the last tranche of each Note.
** Negative intrinsic value is calculated as discount from the conversion price.

The Company believes that upon issuance the Convertible Debenture was issued at fair value for the following reasons:

- the conversion feature was far out of the money and was designed as compensation to the investor for a relatively low coupon rate;
- there were no warrants attached to the Millington Convertible Notes;
- in the event of conversion, the Company had sufficient authorized shares to cover the conversions;
- All tranches of CD-1001, CD-1009, CD-1011and CD-1013 were originally issued with the conversion feature being out of the money. Despite having been in the money during July-August of 2007, none of the tranches of CD-1001, CD-1009, CD-1011 and CD-1013 have been converted as of the date of this filing primarily due to the limited liquidity of the stock.

Due to the above reasons, the Company believes that the conversion feature does not require separate accounting from the host contract as a derivative instrument pursuant to the provisions of SFAS No. 133, “Accounting for Derivative Instruments and Hedging Activities” (“SFAS 133”). Alternatively, if the Company elected to comply with SFAS No. 155, “Accounting for Certain Hybrid Financial Instruments — an amendment of FASB Statements No. 133 and 140, the Company would need to measure the debentures in their entirety at fair value with changes in fair value recorded as either a gain or a loss in the consolidated statement of operations under the caption “Change in fair value of convertible debt instrument”.

Fair value of the Convertible Notes comprising the value of the straight bond plus the value of embedded call option may be determined by Black-Scholes option pricing model. The use of the above formula requires certain assumptions that are subject to significant management judgment.

The volatility of the common stock is estimated using a combination of historical and implied volatility, as discussed in SEC Staff Accounting Bulletin No. 107. By using this combination, the Company is taking into consideration the historical realized volatility, as well as factoring in estimates of future volatility that the Company believes will differ from historical volatility as a result of the market performance of the common stock, the volume of activity of the underlying shares, the availability of actively traded common stock options, and overall market conditions.

The risk-free interest rate used in the Black-Scholes option pricing model is determined by looking at historical U.S. Treasury zero-coupon bond issues with terms equal to the expected terms of the equity awards. In addition, an expected dividend yield of zero is used in the option valuation model, because the Company does not expect to pay any cash dividends in the foreseeable future.

For the period from March 1, 2007 to December 31, 2008 during the periods of relatively high liquidity the observed daily volatility of stock prices was 1.67%. In addition, the annualized risk-free rate of 5% was assumed. Using the above base assumptions, and assuming that the convertibles would be outstanding for 3 years before they are converted i.e. no early conversion, the fair value at the time of issuance of the conversion feature of the convertible debentures that were outstanding on December 31, 2008 would be $199,582. The fair value of the conversion feature embedded in the same convertible debentures on December 31, 2008 given the closing price of $0.08 on that date would amount to $0. To comply with SFAS No. 155, the Company would need to record a profit of $199,582 from change in fair value of convertible debt instrument and a reduction the carrying value of the convertible debentures in the liabilities’ section of the Company’s balance sheet by the same amount. The Company believes that recording imaginary and estimated gains or losses would cause the financial statements to be misleading.

21. SHAREHOLDERS' EQUITY

No dividends were declared or paid by the Company during the years ended December 31, 2008 and December 31, 2007.

22. RELATED PARTIES

Related parties include shareholders and entities which have substantial amounts of common ownership but do not qualify for or require consolidation or combination with the Company. Transactions with related parties are performed on terms that are comparable to those available to unrelated parties. For details of related party balances outstanding as of December 31, 2008 see Notes 5, 12, 15, 17 and 19. Our related parties include CJSC Infox and Zaccam Trading, Ltd.

As of December 31, 2008, the outstanding amount of $120,095 receivable from CJSC Infox, related party, was related to several crude oil shipments which took place in 2004 and 2003. Amount of $2,751,568 payable to the related party, CJSC Infox, related to wells' reconstruction and repair services, provided by third party service companies and paid by CJSC Infox on behalf of the Company.

23. COMMITMENTS AND CONTINGENCIES

Licenses' commitments

Esko Pivnich - During 2004 EP received geological and exploration license agreements to develop the Karaikozovsk, Rogan and Rakitnyansk fields. The following amounts of investments are to be incurred under the terms of those agreements during the periods indicated in the table below:

	Period	Amount To be invested	Amount invested	Remaining Investment
Rogan field	2005-2009	$ 1,916,883	$ 935,747	$ 981,136
Rakitnyansk field	2005-2009	2,583,117	565,357	2,017,760
Karaikozovsk field	2005-2009	2,781,818	6,536,988	-
Total		**$ 7,281,818**	**$ 8,038,092**	**$ 2,998,896**

The amounts mandatory for investment are denominated in UAH and have been translated using the prevailing exchange rates as at December 31, 2008.

Pari - During 2004 Pari received geological and exploration license agreements to develop the Peremishlyansk, Chukvinsk, Scheremetivsk, Niklovitsk and Pilipivsk fields. The following amounts of investments are to be incurred under the terms of those agreements:

	Period	Amount To be invested	Amount Invested	Remaining Investment
Peremishlyansk field	2004-2009	$ 1,532,468	$ 3,130,156	$ -
Chukvinsk field	2004-2009	1,012,987	3,788	1,009,199
Scheremetivsk field	2004-2009	467,533	-	467,533
Niklovitsk field	2004-2009	389,610	11,661	377,949
Pilipivsk field	2004-2009	311,689	-	311,689
Total		**$ 3,714,287**	**3,145,605**	**2,166,370**

The amounts mandatory for investment are denominated in UAH and have been translated using the prevailing exchange rates as at December 31, 2008.

Environmental remediation – Under the laws of Ukraine the Company is obligated to conform to certain environmental remediation obligations related to the oil and gas production activities. This amount can not be estimated but is considered to not be material.

Lease commitments – The Company leases office space on the basis of a 1 year lease agreement. The Company's future lease commitments as of December 31, 2008 were as follows:

	2009
Office rent	$ 97,100
Total	**$ 97,100**

Litigation – The Company has been and continues to be the subject of legal proceedings and adjudications from time to time. Management believes that the resolution of all business matters which will have a material impact on the Company's financial position or operating results have been recorded.

24. RISK MANAGEMENT POLICIES

Management of risk is an essential element of the Company's operations. The main risks inherent to the Company's operations are those related to credit risk exposures, market movements in foreign exchange rates and in interest rates. A description of the Company's risk management policies in relation to those risks follows.

Credit risk – The Company is exposed to credit risk which is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Company structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one customer, or groups of customers. Limits on the level of credit risk by customer are approved quarterly by the Credit Committee.

Our sales to customers in excess of 5% were as follows:

	12/31/2008	12/31/2007
Ukrnedraresource (gas produced)	$ 1,500,698	$ 237,862
Agrotemp (oil produced)		217,947
Vlad Nafta (oil produced)	68,967	45,116
Ukrtatnafta (oil produced)		189,769
Ukrfinresource 2004 (gas produced)	16,755	379,377
Gaspostacha (gas produced)	195,209	
Luxembourgo Promyslova Company (gas produced)	120,296	
Luxor (gas resold)	118,663	
Naftogasservice (oil produced)	105,219	
Vlad nafta (condensate produced)	82,838	190,585
Utex (condensate produced)	55,157	
Utex (oil produced)	73,349	
Angronafta (condensate produced)		83,081
Naftoimpex (oil produced)		385,542
Agronafta (oil produced)		84,193
Azov oil company (oil produced)		135,215
Ukrgasenergo (oil produced)		263,366
Ukrfinresourse 2004 (gas resold)		262,991
Azov oil company (oil resold)		126,799
Other	35,378	165,589
Total	**$ 2,372,529**	**$ 2,767,432**

Currency risk – Currency risk is defined as the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

While the UAH/USD exchange rate stayed flat at UAH5.05 to $1 for almost 6 years prior to 2008, during the second half of 2008, the Ukrainian hryvna weakened to UAH7.70 to $1 which is equivalent to 34% devaluation. Due to Ukraine's political and economic turmoil, the exchange rate is expected to fluctuate wildly in the near future while continuing on the devaluation trend.

The Credit Committee sets limits on the level of exposure by currencies (primarily Ukrainian Hrivna and US Dollar), by entities and in total.

***Interest rate risk* –** Interest rate risk arises from the possibility that changes in interest rates will affect the value of the financial instruments.

Currently, the Company management approach to the interest risk limitation is borrowing at fixed rates and for short periods.

24. CONCENTRATION OF BUSINESS RISK

The Company's operating activities are limited to Ukraine. Laws and regulations affecting businesses operating in Ukraine are subject to rapid changes and the Company's assets and operations could be at risk due to negative changes in the political and business environment.

25. SUBSEQUENT EVENTS

Millington Note

Pursuant to Clause 1 of the Convertible Debenture Agreements CD-1001, CD-1009, CD-1011 and CD-1013, the Company must repay the principal together with the accrued interest within 3 (three) years of the receipt of funds. The first Convertible Debenture Agreement CD-1001 for the face value of $917,200 is dated March 30, 2006 and matures on March 30, 2009. On March 13, 2008, Millington Solutions LLC notified the Company that it did not intend to extend the maturity date of CD-1001 as well as the maturity dates of CD-1009, CD-1011 and CD-1013 tranches. Accordingly, in the event, the Company is unable to secure adequate financing to service the redemption of CD-1001 in the amount of $1,211,621 including interest accrued to March 30, 2009, the Company shall be in default on CD-1001.

Furthermore, pursuant to Clause 3 - "Lender's Right of Acceleration" of the Convertible Debenture Agreements CD-1001, CD-1009, CD-1011 and CD-1013, the Lender has the right, to declare the entire unpaid principal and interest under the Note due immediately if the Borrower fails to make any payment of principal or interest within fifteen days after its due date or if one or more judgments which in the aggregate exceed $100,000 are entered against the Borrower. Accordingly, in the event, the Company is unable to secure adequate financing to service the redemption of CD-1011 and/or any other tranche, the Company shall technically be in default on all tranches CD-1001, CD-1009, CD-1011 and CD-1013 which at that time become immediately due for repayment in the total amount of $5,684,837 including capitalized interest as of March 31, 2009.

Absence of proved reserves in Karaikozovsk field

On March 11, 2009 we received a letter from the Company's geologists, Netherland, Sewell & Associates, Inc. stating that based on the prices and costs used in the evaluation, which was conducted in accordance with the guidelines of the US Securities and Exchange Commission (SEC), they have determined that there were no proved reserves in Karaikozovsk field as of December 31, 2008. A copy of the letter from Netherland, Sewell and Associates is filed as Exhibit hereto.

Disposition of assets and discontinuance of operations

On March 27, 2009, the Company received a proposal from Millington Solutions LLC to transfer all Company's assets to Millington Solutions LLC in exchange for the total extinguishment of all liability to Millington Solutions LLC including but not limited to principal and interest accrued under the convertible debenture notes CD-1001, CD-1009, CD-1011 and CD-1013. Upon deliberation, the management on March 30, 2009 determined to accept the proposal of Millington Solutions LLC for the following key reasons:

- The Company has received a notice from Millington Solutions LLC stating that Millington did not intend to extend the maturity date of the Millington Notes. The Company's inability to make the payment of principal and interest accrued under CD-1001 in the amount of $1,211,621 will result in the Company technically defaulting on all Millington Notes in the total amount of $5,684,837 including principal and interest accrued to March 31, 2008. The Company believed that it exhausted its best efforts to raise external financing to redeem CD-1001 in the first instance and other Millington Notes;
- All of the Company's licenses expire during 2009 and are unlikely to be renewed due to the absence of proved reserves, uncertain prospects and a significant capital infusion required to renew the licenses and further develop them.

For the aforesaid reasons it was determined that the management was justified in accepting the proposal submitted by Millington Solutions. The transaction is currently pending the board approval and if the board approval is obtained the sale of assets will be completed by transferring all of the Company's interests in Esko Pivnich and Pari to Millington Solutions LLC. As a result of transferring all operations to Millington Solutions, the transactions related to all operations in Ukraine are considered to be discontinued operations for future reporting.

Results of discontinued operations

Condensed Statements of Operations of the Discontinued Operations for the years ended December 31, 2008 and 2007 are as follows:

	Year ended December 31, 2008	**Year ended December 31, 2007**
Revenues		
Produced Oil&Gas	2,253,866	2,377,642
Purchased Oil&Gas	118,663	389,790
	2,372,529	2,767,432
Cost of Sales	(177,172)	(354,524)
	2,195,357	2,412,908
Operating expense, net	(1,564,073)	(1,713,658)
Depreciation expense	(1,909,821)	(697,173)
Other operating income	97,270	587,083
Sales, general and administrative	(682,813)	(886,341)
	(1,864,080)	(297,181)
Interest expense, net	(95,117)	(409,412)
Working interest expense		(40,109)
Foreign exchange loss	(5,951)	(26,011)
Other expense, net	(32,275)	(74,875)
Loss before tax and extraordinary items	(1,997,423)	(847,588)
Income tax (expense)/benefit	5,990	(39,452)
Impairment loss	(3,519,704)	
Net loss	(5,511,137)	(887,040)
Translation loss	(1,396,661)	
Total comprehensive loss	**$ (6,907,798)**	**$ (887,040)**

Condensed balance sheets of Discontinued Operations are as follows:

	12/312008
Current Assets	
Cash and cash equivalents	$ 25,968
Accounts receivable	120,095
Other accounts receivable and advances given	384,637
Inventories	28,486
Taxes receivable	1,462,042
Total Current Assets	2,021,228
Non-Current Assets	
Property, plant and equipment	5,142,655
Long-term financial investments	2,303
Deferred tax asset	53,843
TOTAL ASSETS	7,220,029
Current Liabilities	
Accounts payable	2,889,163
Tax liabilities	278,144
Notes payable	183,627
Other current liabilities	1,139,968
Prepaids for oil and gas	298,632
Interest accrued	484,696
Working interest payable	11,802
	5,286,032
Long-term notes payable	474,953
Long-term loan	10,374,662
Net assets of discontinued operations	**$ (8,915,618)**

26. OIL AND GAS DISCLOSURES (UNAUDITED)

The following information is presented in accordance with the Statement of Financial Accounting Standards No. 69, Disclosure about Oil and Gas Producing Activities (SFAS No. 69).

(A) **Costs Incurred in Oil and Gas Exploration and Development Activities**. The following costs were incurred in oil and gas exploration and development activities during the years ended December 31, 2008 and 2007 have been included in cost of sales.

	12/31/2008	12/31/2007
Exploration and development costs	$ 342,484	$ 285,397
Total	**$ 342,484**	**$ 285,397**

The above costs were expensed as incurred.

(B) Results of operations from Producing Activities. Results of operations from producing activities for the years ended December 31, 2008 and 2007 are presented below.

	For the years ended December 31, 2008	For the years ended December 31, 2007
Sales of Oil and Gas, condensate produced	$ 2,253,866	$ 2,377,642
Production expenses (including depreciation expense)	(3,131,410)	(2,125,434)
Exploration and development costs	(342,484)	(285,397)
Income tax (expense)/benefit	5,990	(39,452)
Total expenses	(3,467,904)	(2,450,283)
Total	**$(1,214,038)**	**$ (72,641)**

(C) Proved Oil and Gas Reserves.

On March 11, 2009 we received a letter from the Company's geologists, Netherland, Sewell & Associates, Inc. stating that based on the prices and costs used in the evaluation, which was conducted in accordance with the guidelines of the US Securities and Exchange Commission (SEC), they have determined that there were no proved reserves in Karaikozovsk field as of December 31, 2008.

At present, the Company does not have proved reserves as defined in Rule 4-10(a) of Regulation S-X for the remaining 7 properties.

27. DISCONTINUANCE OF OPERATIONS AND ASSET DISPOSALS

On March 27, 2009, the Company received a proposal from Millington Solutions LLC to transfer all Company's assets to Millington Solutions LLC in exchange for the total extinguishment of all liability to Millington Solutions LLC including but not limited to principal and interest accrued under the convertible debenture notes CD-1001, CD-1009, CD-1011 and CD-1013. Upon deliberation, the management determined to accept the proposal of Millington Solutions LLC for the following key reasons:

- The Company has received a notice from Millington Solutions LLC stating that Millington did not intend to extend the maturity date of the Millington Notes. The Company's inability to make the payment of principal and interest accrued under CD-1001 in the amount of $1,211,621 will result in the Company technically defaulting on all Millington Notes in the total amount of $5,684,837 including principal and interest accrued to March 31, 2009. The Company believed that it exhausted all possible ways to raise external financing to redeem CD-1001 in the first instance as well as other Millington Notes;
- All of the Company's licenses expire during 2009 and are unlikely to be renewed due to the absence of proved reserves, uncertain prospects and a significant capital infusion required to renew the licenses and further develop them.

For the aforesaid reasons it was determined that the management was justified in accepting the proposal submitted by Millington Solutions. The transaction is currently pending the board approval and if the board approval is obtained the sale of assets will be completed by transferring all of the Company's interests in Esko Pivnich and Pari to Millington Solutions LLC.

28. IMPAIRMENT LOSSES

Based on the geologists' report stating that the Company had no proved reserves in Karaikozovsk lease as of December 31, 2008, in accordance with SFAS 144, we recognized the impairment loss in the amount of $3,519,704. The impairment loss was computed as the difference between the carrying value of the assets and their estimated realizable value. According to the management estimates, the net realizable value of drilling and completion costs as well as capitalized well workovers and repairs was close to Nil while the value of the above ground infrastructure and facilities was assumed to be 10% of their carrying value which approximated the scrap value of these assets.

Karaikozovsk assets as at 12/31/08	Carrying Amount	Impairment Loss	Effect of exchange rate Changes	Estimated Realizable Value
Drilling and completion costs	$ 605,387	$ (885,034)	$ 279,647	$ -
Capitalized well workovers and repairs	175,987	(257,281)	81,294	-
Gathering, separation and storage facilities	1,506,390	(1,982,017)	626,266	150,639
Other above ground infrastructure	300,945	(395,373)	124,928	30,049
Total	$ 2,588,258	$ (3,519,704)	$ 1,112,135	$ 180,689

ITEM 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

On February 13, 2009, the Board of Directors of Sunrise Energy Resources, Inc. (the "Company"), based on its Audit Committee's recommendation, dismissed GLO CPAs, LLLP ("GLO") as the Company's independent registered public accountants and approved the engagement of John A. Braden & Company, P.C. ("JABCO") to serve as the Company's independent registered public accountants for the fiscal year 2008, subject to shareholder approval.

GLO issued its auditors' report on the financial statements for the years ended December 31, 2007 and 2006 which included an explanatory paragraph as to the Company's ability to continue as a going concern.

Other than the going concern uncertainty described above, GLO's auditors reports on the financial statements of the Company for the fiscal years ended December 31, 2007 and 2006 contained no adverse opinion or disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope or accounting principle.

During the fiscal years ended December 31, 2007 and 2006 and through February 13, 2009, there have been no disagreements with GLO (as defined in Item 304(a)(1)(iv) of Regulation S-K on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of GLO, would have caused them to make reference thereto in their report on financial statements for such years.

During the fiscal year ended December 31, 2007 and through February 13, 2009 there were no reportable events as defined in Regulation S-K item 304(a)(1)(iv).

The Company requested GLO to furnish it with a letter addressed to the Securities and Exchange Commission stating whether or not it agrees with the above statements. A copy of GLO's response letter, dated February 3, 2009 is filed as Exhibit hereto.

During the fiscal year ended December 1, 2007 and through February 13, 2009, neither we nor anyone on our behalf has consulted with JABCO regarding either:

1. The application of accounting principles to specified transaction, either completed or proposed; or the type of audit opinion that might be rendered on our financial statements, and neither was a written report provided to us nor was oral advice provided that JABCO concluded was an important factor considered by us in reaching a decision as to an accounting, auditing, or financial reporting issue; or
2. Any matter that was either the subject of a disagreement or a reportable event, as each term is defined in Items 304(a)(1)(iv) or (v) of Regulation S-K, respectively.

ITEM 8a. CONTROLS AND PROCEDURES

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Section 13a-15(f) of the Securities Exchange Act of 1934, as amended). Internal control over financial reporting is a process designed by, or under the supervision of, the Company's CEO and the company's CFO to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements for external reporting purposes in conformity with U.S. generally accepted accounting principles and include those policies and procedures that (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and disposition of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

As of December 31, 2008, management conducted an assessment of the effectiveness of the Company's internal control over financial reporting based on the framework established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on the criteria established by COSO, management concluded that the Company's internal control over financial reporting was not effective as of December 31, 2008, as a result of the identification of the material weakness described below.

A material weakness is a deficiency or combination of deficiencies in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis.

Our management does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent or detect all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Controls can also be circumvented by the individual acts of some person, by collusion of two or more people, or by management override of the controls. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with associated policies or procedures. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

The Company's management has identified a material weakness in the effectiveness of internal control over financial reporting related to a shortage of resources in the accounting department required to convert the accounting records from the Ukrainian data, consolidate that information, and present it in accordance with US GAAP including all disclosures on a timely basis.

This annual report does not include an attestation report of the company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the company's registered public accounting firm pursuant to temporary rules of the Securities Exchange Commission that permit the company to provide only management's report in this annual report.

Conclusion

The above identified material weakness did not result in material audit adjustments to our 2008 financial statements. Based on our current size and size of operations, we do not believe it is economically feasible to remediate this weakness. We cannot assure you that, as circumstances change, any additional material weakness will not be identified.

Changes in internal control over financial reporting

The Company's principal executive officers and principal financial officer have concluded that there were no changes in the Company's internal controls over the financial reporting or disclosure controls and procedures or in other factors during the last fiscal year that have materially affected or are reasonably likely to materially affect these controls as of the end of the period covered by this report based on such evaluation.

PART III

ITEM 9. DIRECTORS AND EXECUTIVE OFFICERS OF COMPANY

Directors and Executive Officers

All directors of our company hold office until the next annual meeting of the shareholders or until their successors have been elected and qualified. The officers of our company are appointed by our board of directors and hold office until their death, resignation or removal from office.

Name	Position	Age	Date elected or appointed
Konstantin Tsiryulnikov	CEO, Sunrise Energy Resources, Inc.	30	December – 2004
David A. Melman	Independent Director of Sunrise Energy Resources Inc	66	1997
Roman Livson	CFO, Sunrise Energy Resources, Inc.	38	August 2005
Leon Golden	Independent Director, Sunrise Energy Resources, Inc.	46	December – 2004
Vyacheslav Chuchminov	CEO, Esko Pivnich	51	June - 2002
Taras Burdeniy	CFO, Esko Pivnich	31	June - 2002
Raissa Volodarskaya	Chief Accountant	59	April - 2002

Directors and Key Personnel

Mr. Konstantin Tsirulnikov, President, CEO, of Sunrise Energy Resources. Mr. Tsiryulnikov is president of Odessa Consulting (Canada), and has extensive experience in international business relating to the former Soviet Union countries, concentrating in the Oil and Gas industry. Mr. Tsiryulnikov also serves as the manager of international relations for the L.Z. Group (Canada). Mr. Tsiryulnikov holds an International Business Certificate from the Kyiv Financial Institute and a B.S. degree from the University of Toronto.

Mr. David A. Melman, Mr. Melman, currently serves as the Chairman of the Board of Directors of Sunrise Energy Resources. Mr. Melman also currently serves as President and CEO of British American Natural Gas Corporation, a company engaged in oil and gas exploration in Mozambique, Africa. From 1997 until January 2005 Mr. Melman served as President and sole director of Sunrise Energy Services, Inc. Mr. Melman serves as a director of Republic Resources, Inc. (OTC Pink Sheets) and Swift LNG Inc., a company recently licensed to commercialize certain patents granted to the Los Alamos National Laboratories to transform natural gas into Liquefied Natural Gas. Mr. Melman was a director of Beta Oil and Gas Inc. 2003-2004, predecessor to Petrohawk Energy, Inc. (NYSE) and of Omni Energy Services, Inc. (NASDAQ) from 2004-2005. Mr. Melman holds a B.S. degree in economics and J.D. and LLM law degrees.

Mr. Roman Livson, CFO. Mr. Livson has served as the managing director of Thor Capital Group, Inc. heading its investment banking department since its foundation in 2002. Prior to that he headed the investment banking department of Thor United Corp. He brings to the company a valuable expertise in the Eastern European energy sector. Mr. Livson worked for Coopers and Lybrand from 1994-1998 and received a Master's degree in Mathematics of Finance from Columbia University in 2002.

Mr. Leon Golden, Independent director of Sunrise Energy Resources. Mr. Golden is a certified public accountant with over 17 years of experience. For the past two years, Mr. Golden has had his own CPA practice in New York City, and prior to that he worked as a public accountant for another New York City CPA firm for fifteen years. Mr. Golden serves on the board of directors of ABDC (OTCBB—ABDV). Mr. Golden holds a B.S. degree in Accounting from Brooklyn College.

Mr. Vyacheslav Chuchminov, CEO, Esko Pivnich. Mr. Chuchminov has been serving as the Chief Executive Officer of the Company's wholly owned subsidiary Esko-Pivnich since May 2002. Prior to that, he held senior management positions of Alchevsk Coking Plant and Communar Coking Plant. Mr. Chuchminov graduated from Dnepropetrovsk Institute of Metallurgy in 1979 with a Master's degree in Chemical Engineering. Mr. Chuchminov brings over 20 years experience in running various Ukrainian enterprises in the commodities sector.

Mr. Taras Burdeniy, CFO, Esko Pivnich. Prior to his nomination as CFO of Esko Pivnich Mr Burdeniy had been serving as the Cost Accountant of Esko Pivnich since June 2002. Immediately prior to that he graduated from Kiev National Economics University.

Mrs. Raissa Volodarskaya, Principal Accounting Officer, Esko Pivnich. Mrs. Volodarskaya has been serving as the Principal Accounting Officer of Esko-Pivnich since April 2002. Prior to that she worked as the Chief Accounting Officer of Bivex Ltd, a Ukrainian fast moving consumer goods retailer. Mrs Volodarskaya has in-depth experience in financial accounting, tax reporting and management reporting in the Ukraine having worked as Chief Accountant for 20 years with a number of medium sized Ukrainian companies.

Mr. Leonid Posokhov, *Chief Geological Officer, Esko Pivnich***.** Mr. Posokhov has been serving as the Chief Geological Officer of Esko Pivnich since April 2006. Prior to that he served as the Chief Geologist with the Ukrainian State Geological Committee for 30 years. Mr. Posokhov brings an unparalleled expertise of the Ukrainian oil&gas sector in terms of regional geology and operations.

Mr. Anatoliy Dyagterev, Operations Director - Esko Pivnich. Mr. Dyagterev serves as the Operations Director in Esko Pivnich from June 2002. Prior to than he worked as Chief Engineer, Technical and Productions Director in a number of Ukrainian oil & gas companies, including the subsidiary of Ukrnafta, Poltavagasdobicha. Mr. Dyagterev graduated from Moscow Gubkin Institute of Oil & Gas in 1984 with a Master's degree of Well - drilling Engineer.

Mr. Vladimir Moroz, Chief Engineer, Esko Pivnich. Mr. Moroz joined the Company as Chief Engineer of Esko-Pivnich in October 2004. In 2002-2004 he worked as Chief Engineer in the State Emergency Service of Ukraine. Prior to that, in 1995 – 2002 he was the Deputy Director on Science in the NTP "Burovaya Tekhnika" Mr. Moroz graduated from Ivano-Frankovsk Institute of the Oil&Gas in 1992 with a Master's degree of Well – drilling Engineer. Also, in 2001 he received the Master's Degree from Poltava Technical University on the Accounting and Audit Department.

COMMITTEES OF THE BOARD OF DIRECTORS

The Board of Directors has a Compensation Committee and an Audit Committee. The Audit Committee currently consists of two directors Leon Golden and David Melman. The Compensation Committee is made up of Mr. Golden.

The purpose of the Compensation Committee is to review the Company's compensation of its executives, to make determinations relative thereto and to submit recommendations to the board of Directors with respect thereto in order to ensure such officers and directors receive adequate and fair compensation.

During the fiscal year ending 12/31/2008, the Audit Committee was responsible for the general oversight of audit, legal compliance and potential conflict of interest matters, including (a) recommending the engagement and termination of the independent public accountants to audit the financial statements of the Company, (b) overseeing the scope of the external audit services, (c) reviewing adjustments recommended by the independent public accountant and addressing disagreements between the independent public accountants and management, (d) reviewing the adequacy of internal controls and management's handling of identified material inadequacies and reportable conditions in the internal controls over financial reporting and compliance with laws and regulations, and (e) supervising the internal audit function, which may include approving the selection, compensation and termination of internal auditors.

For the fiscal year ended 12/31/2008, the Board of Directors conducted discussions with management and the independent auditor regarding the acceptability and the quality of the accounting principles used in the reports in accordance with Statements on Accounting Standards (SAS) No. 61. These discussions included the clarity of the disclosures made therein, the underlying estimates and assumptions used in the financial reporting and the reasonableness of the significant judgments and management decisions made in developing the financial statements. The Audit Committee also discussed the other items with the auditors required by SAS No. 61 as amended. In addition, the Board of Directors discussed with the independent auditor the matters in the written disclosures required by Independence Standards Board Standard No. 1.

For the fiscal year ended 12/31/2008, the Board of Directors have also discussed with management and its independent auditors issues related to the overall scope and objectives of the audits conducted, the internal controls used by the Company, and the selection of the Company's independent auditor.

Pursuant to the reviews and discussions described above, the Board of Directors recommended that the audited financial statements be included in the Annual Report on Form 10-K for the fiscal year ended December 31, 2008 for filing with the Securities and Exchange Commission.

Audit Committee Financial Expert

Our Board of Directors has determined that Mr. Leon Golden is an "audit committee financial expert". Members of our Audit Committee are independent under SEC Rule 10A-3.

Code of Ethics

The Company has adopted its Code of Ethics and Business Conduct for Officers, Directors and Employees that applies to all of the officers, directors and employees of the Company.

Compliance with Section 16(b) of the Exchange Act

Based solely on our review of Forms 3, 4, and 5, and amendments thereto which have been furnished to us, we believe that during the year ended December 31, 2008 all of our officers, directors, and beneficial owners of more than 10% of any class of equity securities, timely filed, reports required by Section 16(a) of the Exchange Act of 1934, as amended.

ITEM 10. EXECUTIVE COMPENSATION

During 2008, the Company paid subsidiary's senior management nominal rates which are comparable with the basic salaries in Ukraine. No salaries were paid for the newly nominated management of Sunrise Energy Resources Inc. The Company estimates the fair value of the management compensation for 2008 to be not materially different from these accrued ones:

Name and principal position	Actual salary	
Konstantin Tsirulnikov CEO of Sunrise Energy Resources, Inc.	$	85,000
Roman Livson CFO of Sunrise Energy Resources, Inc.	$	75,000
Leon Golden Independent Director, Sunrise Energy Resources, Inc.	Currently Nominal	
David A. Melman Independent Director of Sunrise Energy Resources, Inc.	$	1,000
Bobby Long Formerly Chief Technical Officer (retired in June 2008)	$	22,290
Vyacheslav Chuchminov CEO, Esko Pivnich	$	7,500
Taras Burdeniy CFO, Esko Pivnich	$	7,000

Raisa Volodarskaya Chief Accountant	$	7,000
Total	**$**	**204,790**

The Company has not entered into any definitive compensation agreements with its senior management. There were no stock options outstanding as at December 31, 2008.

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following tables sets forth, as of March 30, 2009, the number of and percent of our common stock beneficially owned by (a) all directors and nominees, naming them, (b) our executive officers, (c) our directors and executive officers as a group, without naming them, and (d) persons or groups known by us to own beneficially 5% or more of our common stock. Each person has sole voting and investment power with respect to the shares of common stock, except as otherwise indicated. Beneficial ownership consists of a direct interest in the shares of common stock, except as otherwise indicated.

The following table sets forth for the fiscal year ended December 31, 2008, the individuals or entities known to the Company to beneficially own 5% or more of the Company's outstanding shares of voting securities.

Name Of Beneficial Owner	Title of Class	Number of Shares	Percent of Class
Burisma Holdings Limited 17 GR XENOPOLOU STREET 3106 LIMASSOL Cyprus	Common	16,355,767(1)	69.47%
Mr. David A. Melman 5353 Memorial Drive Suite 4012 Houston Texas 77007	Common	200,000(1)	0.87%

(1) Burisma Holdings Limited, a Cypriot corporation is owned in equal proportions by Messrs. Mykola Lissin and Mykola Zlochewsky, both residents of the Ukraine.

(2) Does not include the shares held by Midland Trust Company, Ltd. which owns 0.87% of the total issued and outstanding shares. Mr. Melman held an irrevocable proxy to vote the above shares on certain matters. Mr. Melman disclaims any beneficial ownership of such shares.

Security Ownership of Management

The following table sets forth information concerning the beneficial ownership of the Company's New Common Stock for the fiscal year ended December 31, 2008 by Mr. David Melman, Independent Director.

Name and Address of Beneficial Owner	Amount of Beneficial Interest	Percent of Class
Mr. David A. Melman	0.87%	Common stock

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Except as discussed below and elsewhere in this Report, there have been no transactions, or proposed transactions, which have materially affected or will materially affect the Company in which any director, executive officer or beneficial holder of more than 10% of the outstanding common stock, or any of their respective relatives, spouses, associates or affiliates, has had or will have any direct or material indirect interest.

As at the date of this annual report, we do not have any policies in place with respect to whether we will enter into agreements with related parties in the future.

ITEM 13. PRINCIPAL ACCOUNTANT FEES AND SERVICES

During 2008 professional services were mostly rendered for the Company by GLO CPAs, LLLP accounting firm.

Total professional fees incurred by the Company for the years ended December 31, 2008 and 2007 consisted of the following:

	2008 GLO CPAs	2007 GLO CPAs
Audit	$ 87,139	$ 66,538
Audit related	—	—
Tax	—	—
All other fees	—	—
Total	$ 87,139	$ 66,538

Audit Fees

The Audit Fees for 2008 and 2007 were for services associated with the consolidated U.S. GAAP audits, and registration statements.

Audit Related Fees

During 2008 and 2007 we did not pay any audit related fees.

Tax Fees

During 2008 and 2007 we did not pay any tax related fees.

All Other Fees

During 2008 and 2007 we did not pay any other fees.

Audit Committee Pre-Approval Policies and Procedures

The Sarbanes-Oxley Act of 2002 required us to implement a pre-approval process for all engagements with our independent public accountants. In compliance with Sarbanes-Oxley requirements pertaining to auditor independence, our Audit Committee pre-approves the engagement terms and fees of John A. Braden and Co P.C., and previously, GLO CPAs LLLP and John A. Braden and Co, P.C. for all audit and non-audit services, including tax services. Our Audit Committee pre-approved the engagement terms and fees of both John A. Braden and Co., P.C. and GLO CPAs LLLP for all services performed for the fiscal year ended December 31, 2008 and 2007.

SUBSIDIARIES:

TOV Energy-Servicing Company Esko Pivnich
Pari, Ltd.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENTS AND SCHEDULES AND REPORTS ON FORM 8-K

Reports on Form 8-K

Form 8-k dated February 13, 2009 regarding the change of certifying accountant.

The following Consolidated Financial Statements pertaining to Sunrise Energy Resources are filed as part of this annual report:

Report of Independent Registered Public Accounting Firm – John A. Braden and Co., P.C. for the year ended December 31, 2008

Consolidated Balance Sheet as of December 31, 2008

Consolidated Statements of Changes in Stockholders' Equity (Capital Deficit) for the years ended December 31, 2008 and 2007.

Consolidated Statement of Operations and Comprehensive Loss for the years ended December 31, 2008 and 2007.

Consolidated Statements of Cash Flows for the years ended December 31, 2008 and 2007.

Notes to the Consolidated Financial Statements for the year ended December 31, 2008.

Exhibit Number	Description	Incorporation by Reference
31	Amended and Restated Certificate of Incorporation of the Company	Filed as an exhibit to the Form 10-QSB for the quarter ended September 30, 2004; is incorporated herein by this reference.
32	Bylaws of the Company	Filed as an exhibit to the Form 10-QSB for the quarter ended September 30, 2004; is incorporated herein by this reference.
101	Shareholders Agreement.	Filed as an exhibit to the Form 10-QSB for the quarter ended September 30, 2004; is incorporated herein by this reference.
102	Convertible Note Agreement #1013	*Filed Herewith*
103	Agreement and General Release and Waiver	*Filed Herewith*
14	Code of Ethics	*Filed Herewith*
211	List of Subsidiaries	*Filed Herewith*
311	Rule 13a-14(a) Certification of Chief Executive Officer	*Filed Herewith*
311	Rule 13a-14(a) Certification of Chief Financial Officer	*Filed Herewith*
321	Section 1350 Certification of Chief Executive Officer	*Filed Herewith*
322	Section 1350 Certification of Chief Financial Officer	*Filed Herewith*

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this annual report to be signed on its behalf by the undersigned, thereunto duly authorized.

Sunrise Energy Resources, Inc.

/s/ Konstantin Tsiryulnikov
Konstantin Tsiryulnikov
President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Date	Signature	Title
March 30, 2009		CEO